



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



## SURYA ROSHNI LIMITED

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**SRL/se/20-21/19**  
**August 29, 2020**

**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, 2020**


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, 2020 together with the Notice dated 25<sup>th</sup> June, 2020 convening the 47<sup>th</sup> Annual General Meeting (AGM) of the Company on 23<sup>rd</sup> September, 2020.

The aforesaid Report and Accounts and 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**  
**Sr. V.P & COMPANY SECRETARY**



Encl. : as above.

# SURYA

**SEEKING  
OPPORTUNITIES BY  
VALUE-CREATION**



**ANNUAL REPORT  
2019-20**

**SURYA ROSHNI LIMITED**

# Table of Contents

## Corporate Overview

➤ How Are We Consistently Creating Value?	02
➤ COVID-19: Impact And Response	04
➤ Surya Roshni Limited: Evolving From Strength to Strength	06
➤ Product Mix To Meet The Demands Of Tomorrow	10
➤ Value-Creation Route Map	16
➤ Presence Across India And The World	18
➤ Milestones Of Success	19
➤ Financial Performance	20
➤ Chairman's Message	22
➤ From The MD's Desk	24
➤ Board Of Directors	26
➤ Key Managerial Personnel	28
➤ Enabling People, Businesses And Society To Innovate And Drive A Positive Change	29
➤ Corporate Information	31

## Statutory Reports

➤ Management Discussion and Analysis	32
➤ Board's Report	50
➤ Corporate Governance Report	83
➤ Business Responsibility Report	100

## Financial Statements

➤ Standalone	113
➤ Consolidated	160

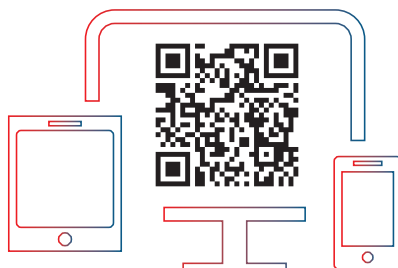
## Investor Information

➤ BSE Code	: 500336
➤ NSE Symbol	: SURYAROSNI
➤ Bloomberg Code	: SYR:IN
➤ Dividend for 2019-20	: ₹ 2 per share
➤ AGM Date	: September 23, 2020
➤ AGM Mode	: Video Conferencing (VC) and Other Audio Visual Means (OAVM)

For online version of this annual report, please visit:

<https://surya.co.in/annual-report>

Or simply scan:



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

The economic scenario all over the world is at the cusp of a major transformation.

In an increasingly complex world, Surya Roshni Limited is maintaining its course and has created an extraordinarily solid foundation for the future. Over the past few years, the Company has actively scripted a successful growth story, reflecting the robustness of its corporate strategy and a fundamentally solid business model. The focus and foresightedness has further enabled the Company to relentlessly seek opportunities across its end-user industries by consistent value-creation.



## How Are We Consistently Creating Values?



The large part of the year witnessed economic headwinds owing to slowing consumption and investment patterns. In the last quarter of 2019-20, the world was impacted by the outbreak of COVID-19 pandemic, directly affecting most of the businesses, excepting essential supplies.

However, Surya Roshni Limited's (hereafter 'Surya Roshini' or 'The Company') proactive strategies have led to some encouraging outcomes even in unparalleled times.

### Values-created across Businesses

#### Steel Pipes & Strips

- Strengthened contribution from the value-added product portfolio – GI and API Pipes
- Increased focus on exports
- Added new customers across key segments and geographies
- Achieved optimum capacity utilisations across all the units
- Implemented cost efficiencies and overhead rationalisation drive across units

#### Lighting & Consumer Durables

- Consolidated capacities for achieving scale and cost efficiencies
- Innovated continually through R&D and developed range of LEDs, façade and solar lighting products to meet the emerging demands
- Strengthened market reach through strong promotions
- Generated strong operating cash flows



## Values-created through strong financial prudence

### Focus areas:

- Debt reduction
- Cost efficiencies
- Improving asset utilisation for better operating cash flows
- Working capital management
- Improvement in ROCE and EBITDA Margins

**Debt reduction**  
**₹ 101 crore**  
 Reduction in funded debts

**₹ 55 crore**  
 Reduction in creditors

**Prepayment of term loans**  
**₹ 61 crore**

**Strengthening ratios**

**0.88**  
 Debt equity

**3.05**  
 Debt to EBITDA

**1.89**  
 Debt service coverage ratio

**Lower finance cost**  
**Less than 7%**  
 Competitive finance cost

Long-Term Credit Rating  
**'A+'**

Short-Term Credit Rating  
**'A1'**

Commercial Paper  
**'A1+'**

## COVID-19: Impact And Response

Change and crisis usually give birth to hidden and unexplored opportunities. They induce you to reroute your approach and rethink better solutions. They help you identify new areas of growth and bring forward new concept of adapting new practices.

At Surya Roshni, we ensured business continuity with a positive intent. This allowed us to remain on track as we pursued future opportunities.



## Being proactive and positive



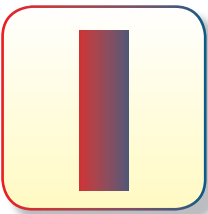
**Cost Proficient**



**Overheads Rationalisation**



**Value-added Products**



**Information Technology**



**Demand Creation**



## Action areas

- Raw material procurement
- Capex rationalisation
- Better product mix

- Energy conservation
- Finance cost
- Transportation
- Efficient manpower cost
- Administrative overheads
- Publicity and sales promotion

- Tailor-made niche products for better margins
- Enlarging value-added product basket with continued focus on GI, API Pipes and Exports
- Drive innovation at the R&D facility and deliver ahead-of-its-time products
- Customer delight through best-in-class service standards

- Strengthening operations, systems and interaction with the channel partners and dealers through enhanced usage of IT platforms
- Minimum travelling and maximum safety
- Physical interaction and trainings are replaced with applications like Google Meets, Webex and MS Teams, among others

- Explore new markets and geographies
- Add new customers
- Market mapping to explore newer application areas



### Health and safety measures

We implemented several health and safety measures to ensure that people across our offices and facilities remained healthy by following the safety SOPs and protocols specified by the Government. These included:

- Work from home facility to avoid commuting
- Adequate sanitisation and safety checks at the facilities post lockdowns
- Promoted naturopathy

The outcome of these measures not only ensured health and safety of the employees, but also led to increase in morale and productivity owing to better work life balance and saving time and cost of commuting.



# Surya Roshni Limited: Evolving From Strength To Strength

Surya Roshni has successfully evolved across its over four-decade-rich journey. Since inception in 1973, the Company has transformed into an organisation that has developed its stronghold into the **Steel Pipes & Strips** and **Lighting & Consumer Durables** segment.

The beginning...

**1973**

Year of establishment as a  
Steel Pipe manufacturer

The evolution...

₹ **5,471 crore+**

Conglomerate

**45 years+**

Brand equity

The presence...

**50+**

Exports presence across countries globally

**2,50,000+**

Countrywide retailers

**2,500**

Countrywide distributors

The diversification...

**1984**

Forayed into Lighting Operations

**2010**

Forayed into PVC

**2014-15**

Forayed into Consumer Durables like fans and home appliances

The leadership...

**#1**

GI Pipes manufacturer and ERW Pipes exporter

**#2**

Lighting company

## The Recognition



The Company's Promoter & Executive Chairman, Shri Jai Prakash Agarwal, was conferred with **Padma Shree** Award for his distinguished services in the field of Trade and Industry by the Government of India

Bestowed with the Brand Excellence Award in Lighting Category in North India at the India Best Brand Awards 2018



THE ECONOMIC TIMES  
**CHAMPIONS**  
OF  
RURAL MARKETS

Awarded with The Economic Times Champions of Rural Markets-2018 Award for the Brand presence and successful work done in the rural markets of India.



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



## Steel Pipes & Strips Segment



Anjar, Gujarat



Hindupur, Andhra Pradesh



Bahadurgarh, NCR-Delhi



Gwalior, Madhya Pradesh

## Things people say about Surya Roshni

- Develops steel tubes and pipes for prime sectors like agriculture, infrastructure, fire-fighting, oil & gas and construction, among others
- One of the renowned names in LED, professional and conventional lighting
- Strong market reputation with best-in-class quality offerings across businesses
- Completely in-house manufacturing
- Pan India player with six manufacturing facilities 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)
- Strong dealer and distribution network, with strong presence in rural and semi-urban areas
- Brands – ‘Prakash Surya’ and ‘Surya’
- Product accreditation from the Government organisations, institutions, PSUs, international buyers and reputed projects
- Low on leverage by consistently reducing debts and strengthening financial ratios with improved ratings
- Efficient financial management and lower cost of finance

## Lighting Segment



Kashipur, Uttarakhand



Gwalior, Madhya Pradesh

## Product Mix To Meet The Demands Of Tomorrow

### Lighting & Consumer Durables

#### LED lightings for consumers (trade)

- LED lamps
- LED downlighters
- LED street lights
- LED luminaries
- Conventional lamps – GLS, FTL, CFL 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

#### Lighting series for Luminaire Business Group (LBG)

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



### Fans



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

## Home Appliances

### Food preparation & cooking

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

### Garment care

- > Dry iron
- > Steam iron

### Heating appliances

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

### Climate control

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



## PVC Pipes

### Applications:

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





## Steel Pipes & Strips



### GI Pipes

#### Application areas:

- Agriculture & irrigation
- Casing and tubing
- Water transportation/plumbing and pipelines
- Green houses
- Fire fighting
- Street light poles
- Solar panels

### Black

#### Application areas:

- Industrial infrastructure/construction works/fabrication
- Road transportation – side structures/fencing (section pipe, sign boards)
- Railways – platforms and metros
- Airports structures
- Smart cities' infrastructure
- River connectivity and interlinking
- Door frames, window frames and furniture (section pipes)
- Scaffoldings

### Hollow Section

#### Application areas:

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



### GP Pipes

#### Application areas:

- Infrastructure in coastal areas



### API & 3LPE Coated

#### Application areas:

- Oil & gas pipelines
- Oil well casing
- City gas distribution pipelines
- Plant piping



### Spiral Pipes

#### Application areas:

- Water pipelines– Mains
- Industrial water lines
- Chilled water pipelines
- Infrastructure



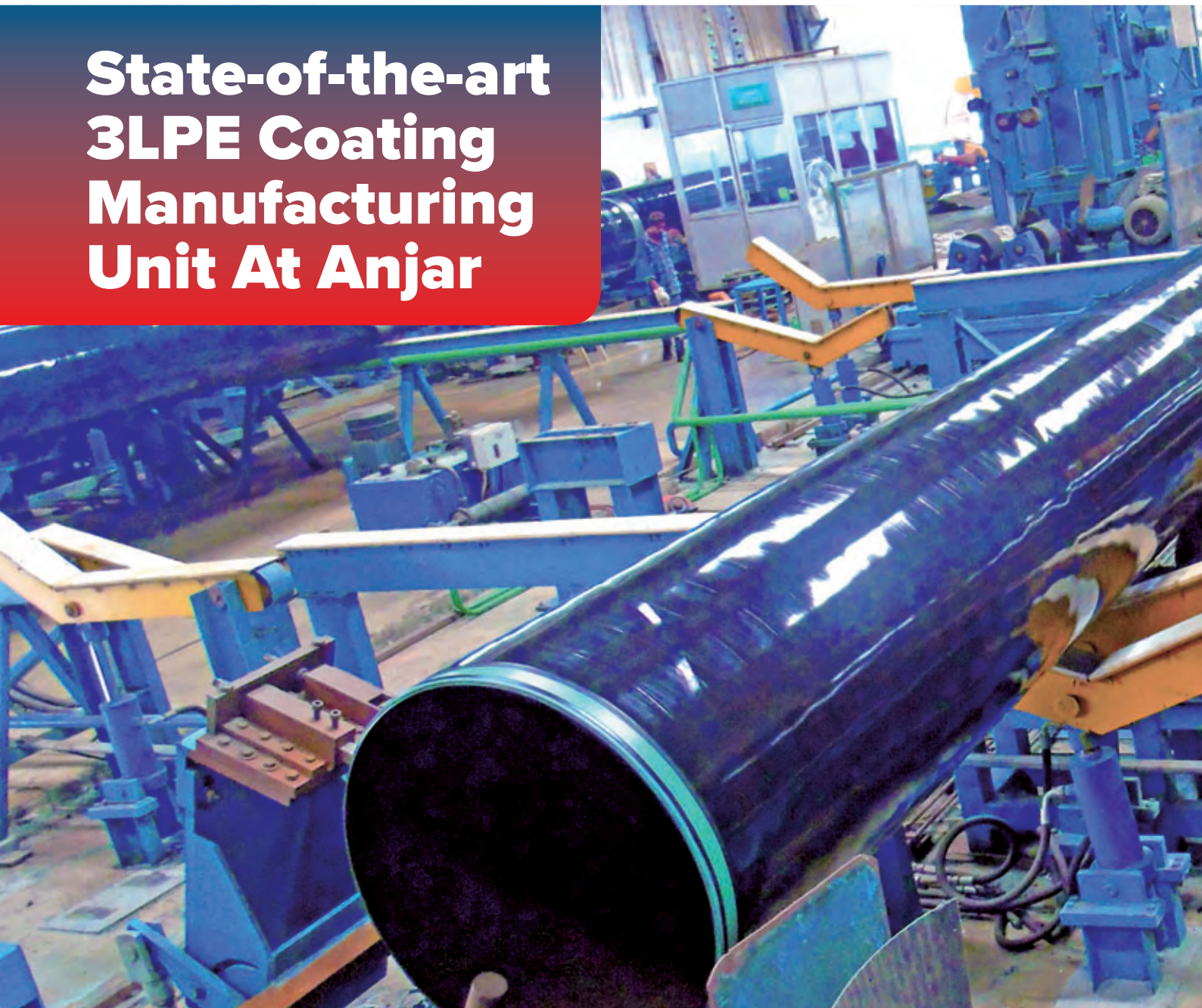
### CR Strips Sheets

#### Application areas:

- Electrical stamping for motors
- Cycle and two wheeler rims
- Automobile components
- Furniture and fitting
- Drums and barrels
- Umbrella ribs and tubes
- Miscellaneous engineering applications



**State-of-the-art  
3LPE Coating  
Manufacturing  
Unit At Anjar**





## Strengths

- World-class 3LPE coating plant from SELMERS, Netherlands
- Established track record, obtained accreditations, certifications of ISO 9001, 14001 & 18001
- Manufactures specialised API Pipe with 3LPE Coating that finds application in transportation of Petroleum & Natural Gas, City Gas Distribution and Water Pipelines
- Eligible for State Industrial Incentives

## Optimism

- Caters to the high growth segments, especially City Gas Distribution and Oil & Gas
- Government's strong impetus on building modern infrastructure with low-cost transportation
- Export opportunities owing to proximity to the port

## Expansion of 3LPE coating facilities

With capacities fully engaged, the Company has initiated second line of 3LPE coating facility (9,00,000 Sq Mtr) at an estimated capex of ₹ 25 crore, with an expected completion by the end of financial year 2020-21. The expansion will utilise the existing offline capacities of the Company, resulting in cost efficiencies and improved margins.



## Value-Creation Route Map

### STRONG FOUNDATION



#### Vision

#### Committed towards a better tomorrow

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



#### Mission

#### Energising lives and beyond

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



#### Core Values

#### Surya Parivar

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

#### Integrity

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

#### Social responsibility

Eco-friendly products, optimised resources to conserve the environment

#### Customer satisfaction

Customers – Guiding stars for future endeavours and improvements

#### 7Ps of Success



Professionalism



Product Development



Productivity and Perfection



Promotions



Performance Evaluation



Payback



Profitable Growth

### RESOURCES

#### Stringent financial resource allocation

Equity

₹ **54.41**  
crore

Debt

₹ **1,090.73**  
crore

#### Capacities to respond to the emerging demand

ERW Pipes (including GI of 3,30,000 MT)

**9,25,000 MT p.a.**

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

**2,00,000 MT p.a.**

CR Sheets

**1,15,000 MT p.a.**

3 LPE Coated Pipes (External)

**18,50,000 sq. mtr. p.a.**

3 LPE Coated Pipes (Internal)

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

LED Bulbs

**90 million pieces p.a.**

LED Street Lights

**3.60 million pieces p.a.**

LED Tubes & Fittings

**10 million pieces p.a.**

GLS

**200 million pieces p.a.**



### Strong intellectual knowhow

- › Equipped with modern machineries and regular technological upgrades
- › Consistent innovation and R&D activities at the dedicated Surya Technology & Innovation Centre, Noida



### Marketing and distribution set up

- › Strong marketing activities supported by efficient publicity initiatives
- › Widespread distribution and decentralised depot networks that help in quick logistics movement, prompt delivery and customer satisfaction
- › Strong trade network and retail outlets support



### Human resources

- › Talented, motivated and skilled employees
- › Continuous training and development
- › Efficient talent management

**3,488**

Employees on board



### Social Responsibility and Community well-being

- › Conservation of natural resources
- › Community upliftment in the areas of health, skill development and education (through Surya Foundation)

**₹ 3.02 crore**

CSR spend

## OUTCOMES

### Steel tubes and pipes

- › The profitability improved with strengthening of value-added product portfolio – GI, Black, 3LPE – along with improving exports volume
- › Overall volumes strengthened by **4%** despite the sluggish market conditions and the impact of COVID-19 pandemic
- › EBITDA: **₹ 255.73 crore, +13%** ; PBT: **₹ 97.48 crore, +31%**
- › EBITDA per tonne continued to improve
- › Completion of capacity expansion at the Hindupur plant

#### Utilisation levels:

Products	Utilisation
ERW	Above 80%
Spiral	Online: 70%
CR	81%
3LPE	Full utilisation
GI	80%

### Lighting and consumer durables

- › Growth in home appliances and PVC by 9% and 17%, respectively
- › Witnessed stable sales in LED lighting
- › Executed orders for Ahmedabad, Vadodara Railway Station, Leh Palace, Delhi street light and renowned retail chains, among others
- › Received orders for Smart City, railway stations, flyovers and bridges, temple, monuments, and tourist spots lighting
- › Contributed to strong operating cash flows of ₹ 156 crore (net of acceptances) during the year, which helped in reducing debt

#### Utilisation levels:

Lighting Products	Utilisation
GLS	64%
LED Lamps	62%
LED Battens	54%
LED Street lights	16%

### Other important areas

- › Strong presence in rural and tier II locations
- › Contributed towards environment conservation through reduced energy usage and installation of solar energy
- › Uplifted the quality of life of the societies and communities within which the Company operates



Rural: **53%**

Tier II: **32%**

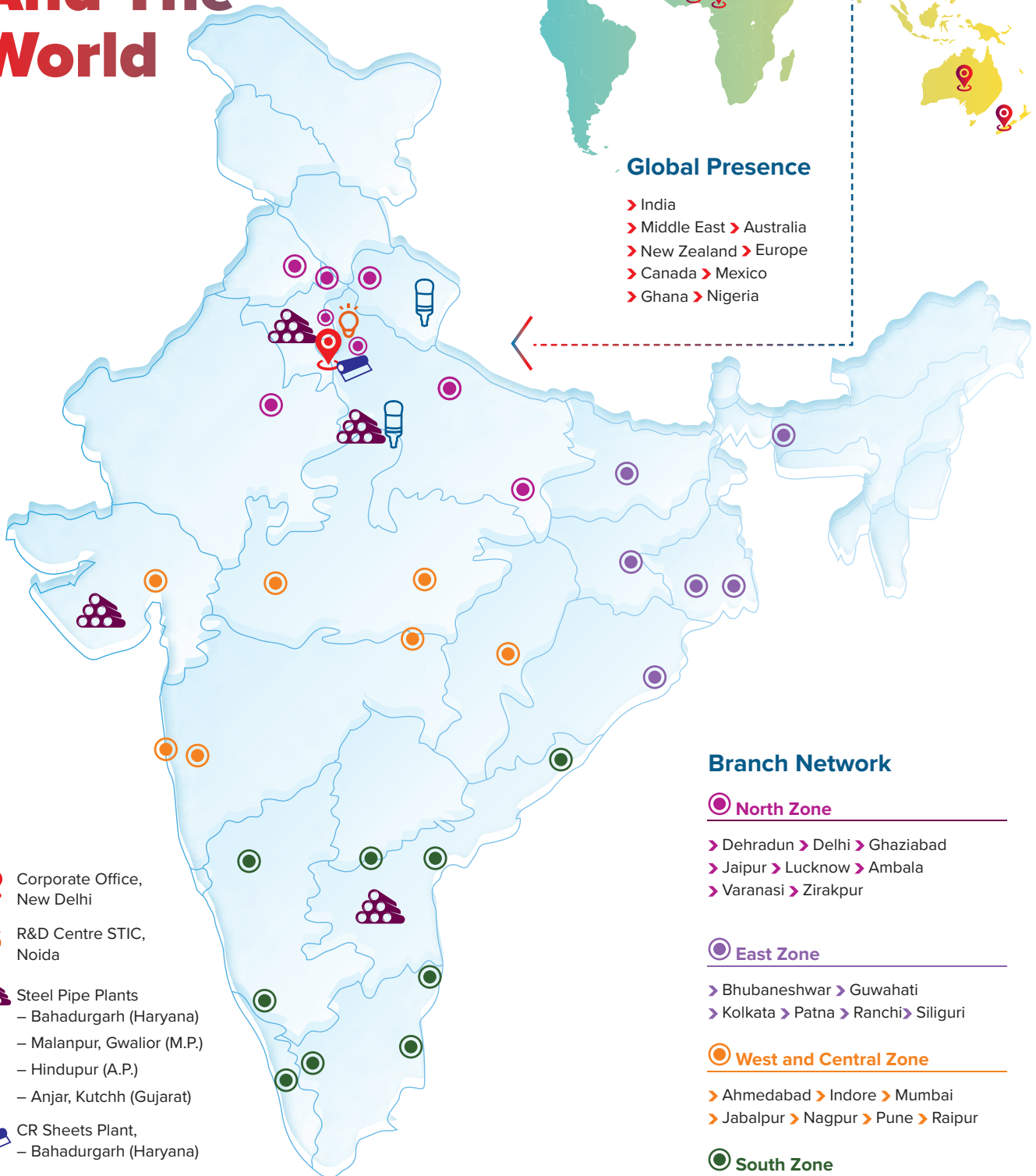
Metro Cities: **15%**

## Presence Across India And The World



### Global Presence

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



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

### Branch Network

#### North Zone

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

#### East Zone

- > Bhubaneswar > Guwahati
- > Kolkata > Patna > Ranchi > Siliguri

#### West and Central Zone

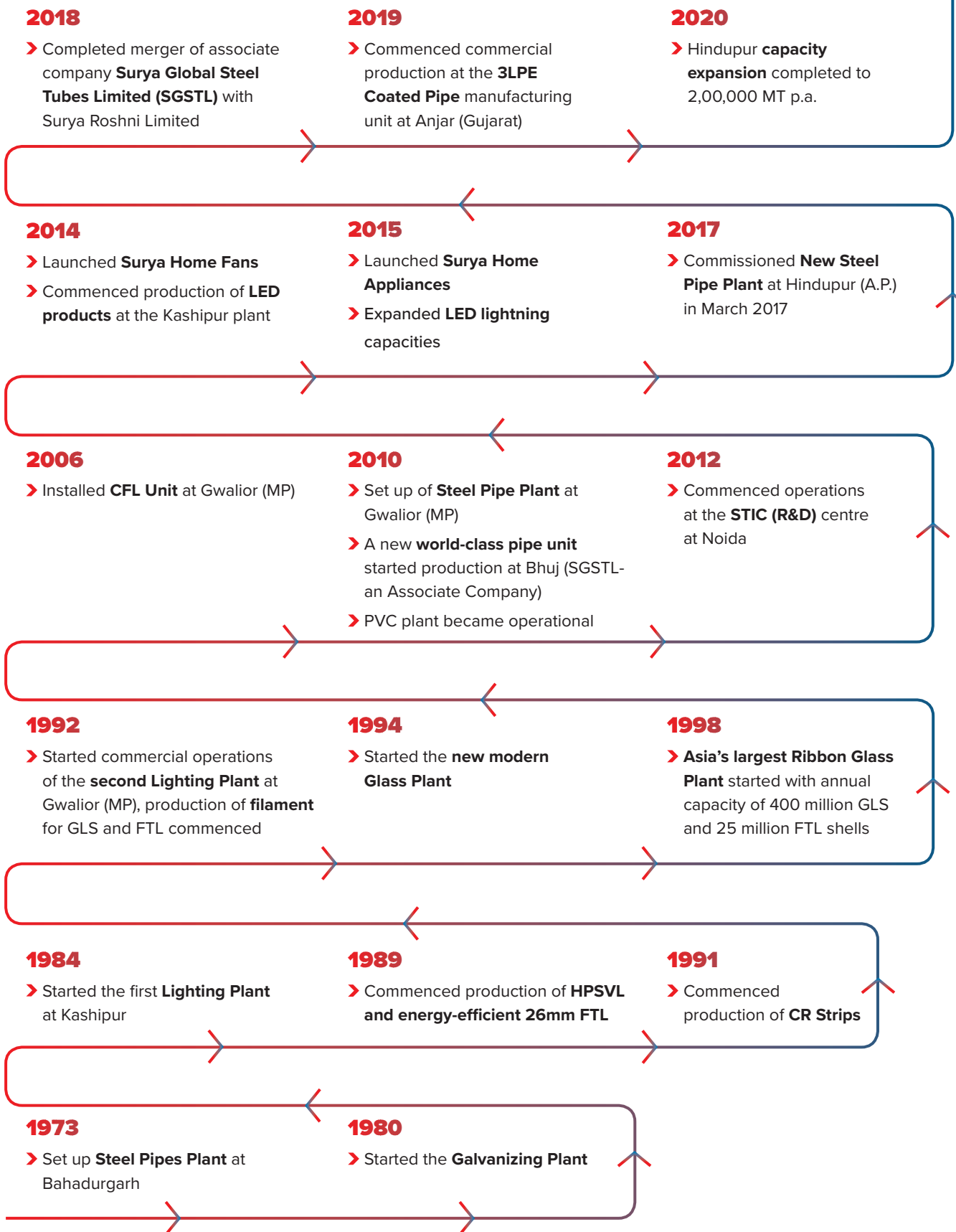
- > Ahmedabad > Indore > Mumbai
- > Jabalpur > Nagpur > Pune > Raipur

#### South Zone

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

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 misinterpretation of any information or design thereof. The Company does not warrant or represent any kind of connection to its accuracy or completeness.

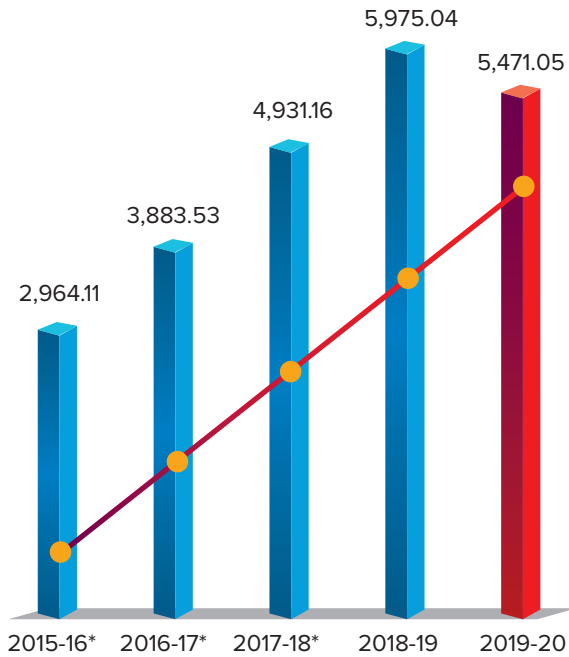
# Milestones Of Success



## Financial Performance

### Revenue from Operations

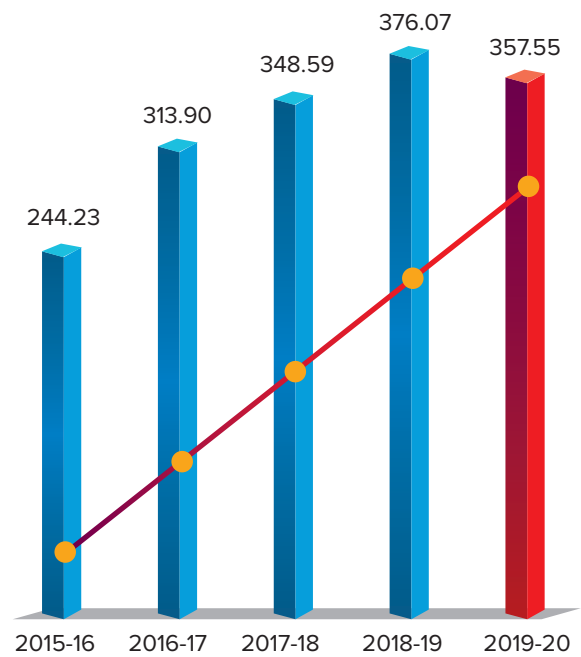
(₹ Crore)



\*excluding excise duty

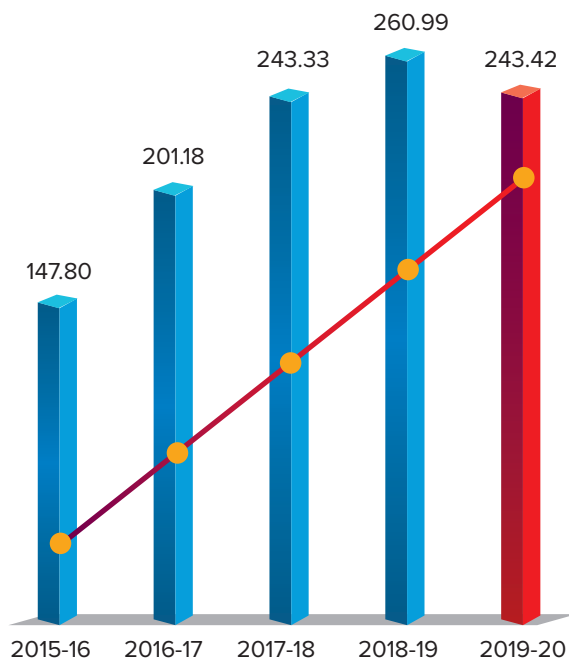
### EBITDA

(₹ Crore)



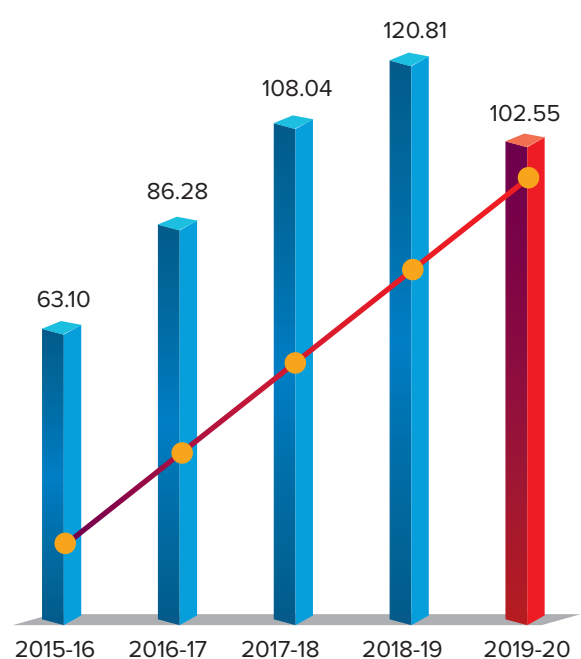
### PBDT (Cash profit)

(₹ Crore)



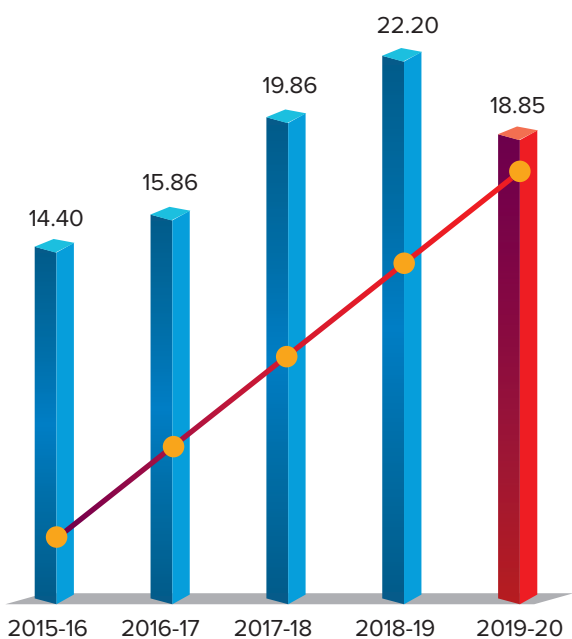
### PAT

(₹ Crore)



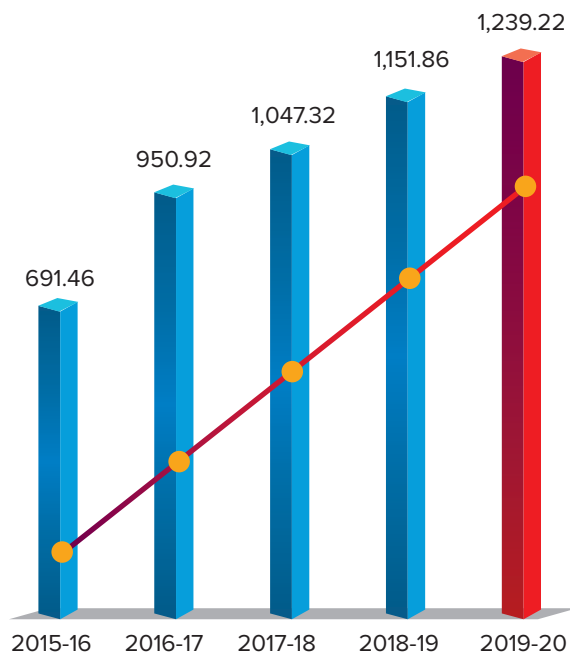
### EPS

(₹)

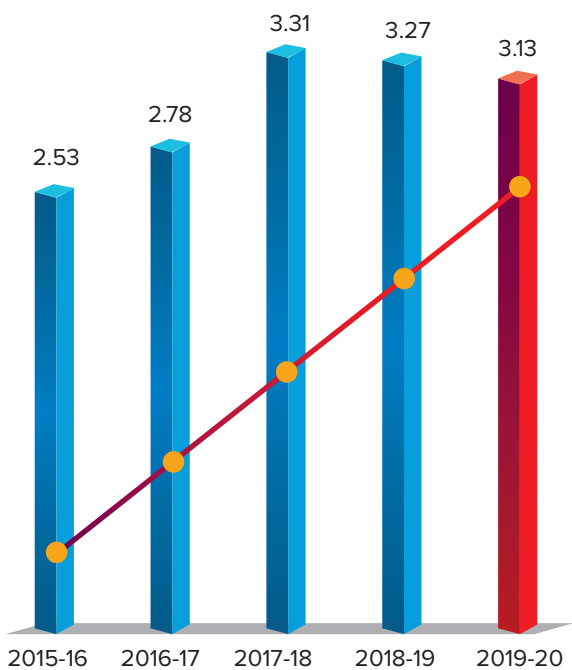


### Net Worth

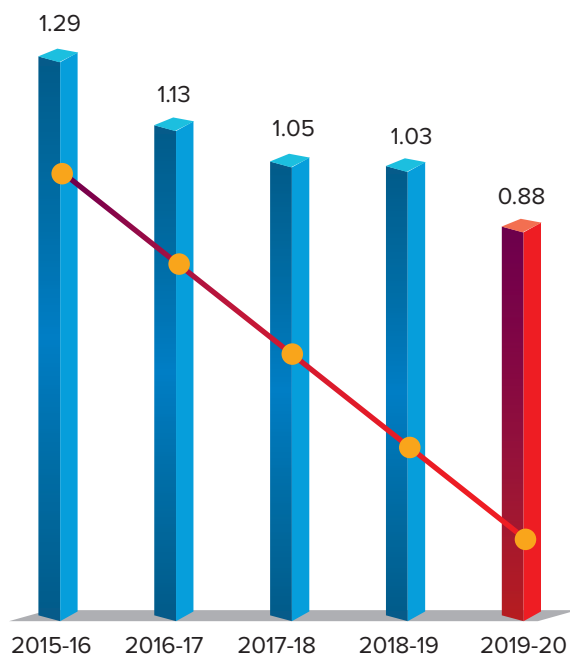
(₹ Crore)



### Interest Coverage Ratio



### Debt Equity





## Chairman's Message



Unparallel times brings exceptional efforts to succeed. These are exceptional times, but we are fully aligned to the needs of our industry and customers.

### Dear Shareholders,

As I write this letter, we are several months into the global menace of the COVID-19 pandemic. The accelerated spread of the virus has touched the human life without any exceptions, directly impacting the socio-economic activities globally. We express our sincere thanks and gratitude to all the frontline warriors. Their selfless effort is making the belief in humanity even stronger for the entire world.

In India, series of lockdowns were announced to curb the spread of this contagion. This has brought business activities to a grinding halt. While, the global economy will take time to emerge out of this crisis, the Indian growth story, too, will need time to regain the momentum after stepping out of the rough patch.

### Business Continuity Amidst Challenges

At Surya Roshni, we exhibited courage and determination during these challenging times and ensured business

continuity. We have always taken care to ensure a healthy balance between growth and profitability on the one hand and investment and financing on the other. Furthermore, our low leverage, strong operating cash flows, efficient working capital management and operational efficiencies has positioned us to successfully scale up the operations and continue on our desired path of consistent value creation.

### Emerging Trends

Focusing on business efficiency and the macroeconomic environment will help us connect the dots for emerging trends. The current scenario of the Indian economy may look a bit gloomy at the moment, owing to the ongoing challenging situation. However, the long-term growth story is extremely appealing. The country continues to remain an attractive investment and manufacturing destination for investors from across the world on the back

of its young demography, rapidly urbanising population, robust consumption demand and a strong infrastructural development pipeline. The Government of India's recently launched 'Atmanirbhar Bharat Abhiyan' and 'Vocal for Local' along with 'Har Ghar Nal se Jal' initiatives provide a much needed boost to ensure success of 'Make in India'. Besides, strong opportunities from the oil & gas segment, city gas distribution and water pipeline and transportation projects, along with several policy measures by the Government, focussing on the rural development, act as the key demand drivers for the Company's API and ERW pipes. Post COVID-19, India is gradually emerging as a preferred destination for sourcing Steel Pipes and Tubes, which in turn will translate into better exports opportunity for the Company.

The Indian lighting industry has seen a strong transformation over the past five years. The rapid transition from traditional bulbs to CFL and now to modern generation LEDs is bringing in a consolidation in the industry. India 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 Company. Post COVID-19, the organised players with strong capacities and sound financials like us, are gaining more traction. Our consolidation strategy has allowed us to build scale and cater the burgeoning demand. Besides, we are also expected to witness increase in export orders, as consumer sentiments for Chinese goods are gradually declining. The Government's tenders also require the entire manufacturing setup to be localised, which further favours our kind of business which is entirely 'Made in India'.

### Employees and Society Welfare

We recognise and appreciate our human resources and their constant value-additions. They are our strategic business partners and play a prominent role in supporting and driving our business strategies. We have always ensured on boarding the right talent across all the levels of the organisation. We have also provided right work environment for the growth of our employees, ensuring complete job satisfaction. Our employees adapted the 'new normal'

situation in a very quick time and continued to display same levels of commitment even during the lockdowns. We continued contributing towards the upliftment of the communities through our CSR arm – Surya Foundation. We positively impacted the lives of the people through our endeavours in health, education and social upliftment.

### Emerging Stronger and Better

Our businesses remain at the core of these industries. The Company is well-placed to benefit from the opportunities that prevail. Our presence and demand in the market continues to be prominent through our dealer networks and cost-effective strategies. Besides, our strong financial acumen, stringent working capital management, presence in the rural segment as well focus on developing value-added product mix has further made us resilient to such uncertain shocks.

We are fully aligned with the needs of our industry and customers. We have adapted new internal systems and processes to align with external environment. Our preparedness makes us confident to play on our strengths and use this opportunity to consolidate on our success over the years. Besides, our strong governance practices, values, ethics and transparency across the business, will allow us to emerge much stronger.

### Closing Note

I would like to thank all the employees and our dedicated management team for their all-round efforts and achievements over the period. I would also acknowledge our Board Members for their constant guidance towards driving Surya Roshni's vision in the right direction. I am also thankful for the constant support of our stakeholders, bankers and customers. With quick decisions and necessary initiatives taken during the year, we will further enhance our leadership and increase value for everyone associated with us.

Till then, stay immune and stay safe!

Best Wishes,

**Jai Prakash Agarwal**  
Chairman

## From The MD's Desk



With both short and long-term strategies in place, optimised costs and efficiencies, the Company is poised to grow on the success of the past few years and continue the momentum.

### Dear Shareholders,

It is my privilege to address you and present this year's Annual Report. I hope this letter finds you safe and in good health.

It is a well-known fact that the real test of a business model is in the times of adversity. Today, the world is facing an unprecedented challenge and the crisis is still unabated. It has disrupted many businesses, brought the economy to complete halt and has affected many medium and small sized entrepreneurs. As an organisation, we are taking actions to support our people, their families, and our customers. We have ensured adequate health and safety measures to keep our employees safe and motivated. I am proud to state that despite these circumstances, they have kept the morale high and ensured the business continuity. We, emerged stronger with continuous cost reduction, overhead rationalization, value-added products, and creating demand from different applications of our products which helped us to overcome the negatives of COVID-19.

### Steel Pipes & Strips Review

The performance of this segment was extremely satisfactory owing to our well-defined strategies of focussing on value-

added product portfolio, timely capacity enhancements, building efficiencies, optimising cost overheads and marking presence in the rural and interiors of India. Despite challenging scenario during the year, we managed to improve our volumes by 4% with a strong EBITDA per tonne. We saw good offtake in export orders, as well as for GI pipes, API, 3LPE Coated Pipes and Small and Spiral Pipes (as a part of Government offtake). Our expansions at Hindupur and Anjar were completed and were fully operational during the year. All our capacities are fully optimised at the moment. Considering the strong growth optimism, we have initiated second line of 3LPE coating facility (9,00,000 Sq Mtr) at an estimated capex of ₹ 25 crore, with an expected date of completion in 2020-21.

### Lighting Review

Our priorities for this segment was clearly set through our investments in building an advanced lighting research and development centre (R&D), Surya Technology & Innovation Centre (STIC) at Noida. It has allowed us to constantly evolve and respond to the LED revolution. Besides, our proactive strategy of venturing into LED Façade & Solar Lighting Products is expected to reap good results in the

near term as the Government is increasingly focussing on this segment of lighting. The COVID-19 has further opened up opportunities for an organised player like us. We have adequate financial resources to address the market demand. During June 2020, we also saw an increase in offtake of conventional lighting – GLS and Tubelights. Our capacities are fully booked for manufacturing products for our brand as well as third party orders.

During the year, we gave a facelift to a 500-year-old Leh Palace through our lighting and continued to illuminate several public places and monuments across India.

### Deleveraging

During difficult times, companies with strong balance sheets and sound financial acumen emerge successful as they have the resources to benefit from the opportunities which arise. In retrospect, our focus on increasing fixed asset utilisation has generated higher operating cash flows. This has allowed us to reduce our financial liabilities by ₹ 156 crore. The resultant impact was visible in our debt equity strengthening from 1.03x to 0.88x time during the year. We also managed to keep our interest cost below 7% by the end of the year. The strong operating cash flows of Q1 FY 2020-21, further deleveraged our Balance Sheet owing to the consistently reducing finance cost.

### Optimism Remains Intact

As activities started settling down post lockdowns, the Government launched newer initiatives to give a much-needed push to the overall functioning of the economy in the near term. Let me iterate some of the opportunity zones:

- The demand for Steel Pipes and Tubes shall continue to witness an upsurge owing to the large-scale expansion programmes by the oil & gas companies as well as CGD players across the nation; besides infrastructural upgradations, development of rural areas and increasing enquiries from new geographies like Australia, Singapore, South East Asia and UK, will continue to drive demand
- The developments in the domestic water segment, water transportation, irrigation projects, allocation in 'Har Ghar Nal Se Jal' scheme, etc. will further boost the requirement of pipes for interconnectivity and transportation
- The demand for LED shall be driven by the ambitious infrastructural growth in India for over next 10-15 years. Several modern constructions like malls, commercial buildings, tourist spots, highways and bridges are opting for efficient LED lights with value-added features like IoT enabling, smart switching and dimming, among others.

- The unlocking of the economy and favourable Government initiatives like 'Atma Nirbhar Abhiyaan' and 'Vocal for Local' movement are targeted towards making India a self-reliant nation; several countries globally are considering India as an alternative and preferable manufacturing hub. We are strongly poised to reap this benefit with our strong brands of Prakash Surya and Surya in both the segments.

### Ready for the Momentum

The recent events will mark numerous challenges for all kinds of businesses. But these are the times which define the commitment of an organisation towards its vision and ethics. A change in numerous business processes is imminent and so is the perspective of approaching it. At Surya Roshni, we have adapted this new normal by suitably opting for high-value generating products as well as further building on operational efficiencies and rationalising costs. Besides, strong industry consolidation is also envisaged that will favor the organised players like us. As we look ahead to the 2020-21 financial year, our priorities are clear. We will continue to provide our customers with a better product range and deliver consistent value-creation. It shall further enlarge the scope of the Company's business activities and profitability considering the strong brand presence, extensive PAN India dealer network and leadership in exports for both the businesses. With both short and long-term strategies in place, optimised costs and efficiencies, the Company is poised to grow on the success of the past few years and continue with the momentum.

On behalf of the Board, I reiterate my gratitude for the commitment and contributions from all our talented employees, shareholders and customers for their ongoing support. Our growth aspirations are driven by a strong and cohesive corporate governance structure comprising the Board of Directors, the Board Committees and the Management Team. Together, our leadership helps define and implement our strategy in line with our stakeholder commitments, while adhering to the strictest principles of compliance and ethics. This structure helps us manage risks and identify opportunities to drive sustainable value creation. We are building our tomorrow with the best of today.

Warm regards,

**Raju Bista**  
Managing Director

## Board Of Directors



**Jai Prakash Agarwal**

Executive Chairman

Awarded with the '**Padma Shree**'. He is the driving force behind creating Surya Roshni as one of the most reputed, trusted and successful Company in both business verticals viz. Steel Pipe & Strips and Lighting & Consumer Durables.



**Raju Bista**

Managing Director

Young and dynamic with 34 years of age, he has been the growth engine for the Company. His discipline, dedication and visionary power has helped in achieving the overall development of the Company. He is the President of ELCOMA. He is also a Member of the Parliament.



**Urmil Agarwal**

Woman Director

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



**Vinay Surya**

Whole-time Director

Possess vast experience of over 22 years in Marketing, Export, Commercial, Financial & Operational field. He has done an M.B.A. from Swinburn University, Australia.



**T S Bhattacharya**

Independent Director

Ex-MD of SBI with an illustrious professional career.



**Ravinder Kumar Narang**

Independent Director

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



### **Krishan Kumar Narula**

Independent Director

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



### **Surendra Singh Khurana**

Independent Director

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



### **Sudhanshu Kumar Awasthi**

Independent Director

Ex-Managing Director of the PNB Capital and has worked at various senior positions in Punjab National Bank.



### **Sunil Sikka**

Independent Director

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



### **Kaustubh N Karmarkar**

Whole-time Director

Possesses vast experience of over 22 years in the field of Management & Human Resources and Planning.

## Key Managerial Personnel



### **R. N. Maloo**

Executive Director & Group CFO

A qualified CA with 34 years experience in Corporate Affairs, Finance, Commercial & Taxation. He has held CFO positions in renowned companies and also in CA practice as partner with M/s Kalani & Co, Jaipur.



### **Tarun Baldua**

CEO, Steel Operations

A qualified Chartered Accountant with 35 years of experience in Commercial, Operations and Administration of various businesses across industries.



### **Ramanjit Singh**

CEO, Lighting Operations

A qualified MBA - Operations with 35 years of experience in Operations and served on the post of Sr. Director at Philips India. He has led multiple initiatives to accelerate innovation and growth in lighting industry.



### **B. B. Singal**

Sr. Vice President & Company Secretary

A qualified CA, Company Secretary and Cost Accountant with a rich experience of over 25 years in Secretarial Function, Corporate Laws, Accounts, Direct Tax & Investor Relationship.

# Enabling People, Businesses And Society To Innovate And Drive A Positive Change



At Surya Roshni, we build better future for our people, customers and wider communities. Sustainability and Corporate Responsibility is an important component of the Company's purpose and ambitions. The aim of our corporate activities is to add value in the short, medium and long-term for the business as well as the communities associated with it. Our dedicated CSR arm – Surya Foundation – discharges responsibilities in the fields of health, skill development and education.



## Projects:

### Bal Vikas Kendra

The Company has established 'Bal Vikas Kendra' in the remote and far-flung rural villages across 15 Indian states.

#### Focus areas:

- Imparting moral education and values by training young school-going children and dropouts
- Teaching yoga and meditation
- Inculcating the spirit of patriotism in them for developing them into the country's responsible citizens

#### The impact:

- Improvement in behaviour amongst the children
- Improvement in their educational knowledge and outcome



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

The Company has been consistently promoting naturopathy and yoga across India, through its dedicated wing, the International Naturopathy Organisation (INO).

#### Activities:

- Organising awareness camps and seminars round the year at various locations across India
- Conducting Naturopathy Doctors and Management Training Programme for practitioners from India as well as abroad



### Personality Development of Youth

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



**₹ 3.02 crore**

CSR spend in 2019-20

# Corporate Information

## REGISTERED OFFICE

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

## HEAD OFFICE

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

## WORKS - STEEL DIVISIONS

- Rohtak Road, Sankhol  
Bahadurgarh - 124507 (Haryana)
- 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,  
District 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)
- Plot No. 9-13, Balaji Industrial Estate,  
Mahuakheraganj, Kashipur,  
District U.S. Nagar, Uttarakhand

## STATUTORY AUDITORS

Ashok Kumar Goyal & Company  
Chartered Accountants

## COST AUDITORS

R. J. Goel & Co.

## BANKERS

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

## AUDIT COMMITTEE

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

## STAKEHOLDER'S RELATIONSHIP COMMITTEE

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

## CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

- Shri Krishan Kumar Narula, Chairman
- Shri Jai Prakash Agarwal, Member
- Shri Raju Bista, Member
- Shri Kaustubh N Karmarkar, Member

## NOMINATION AND REMUNERATION COMMITTEE

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

## COMMITTEE OF DIRECTORS

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

## Management Discussion And Analysis



### Part I

#### Company Review

The humble beginning of Surya Roshni, close to five decades back, has led its way to the Company being evolved as an Indian manufacturing conglomerate today. Established in the year 1973, guided under the able supervision of Mr. J. P. Agarwal, Surya Roshni has progressed into an ₹ 5,471 crore (USD 723 million) Company with its core business interest in the areas of Steel Pipes & Strips and Lighting & Consumer Durables.

Over the years, the Company has carved a strong brand equity for itself. It has also built a wider customer recall across India and over 50 other countries globally. Today, Surya Roshni is India's largest ERW Pipes exporter, largest GI Pipes producer and second-largest Lighting company. The success that the Company enjoys can largely be attributed to its consistent quality offerings, constant innovation and robust marketing, and outstanding distribution capabilities.

The Steel Pipes & Strips segment manufactures a wide range of steel pipe products. The Company operates this segment of business through its state-of-the-art manufacturing units located across Haryana, Gujarat, Madhya Pradesh and

Andhra Pradesh. The products find applications across agriculture, infrastructure, oil & gas and construction sectors. The oil & gas sector offerings are further approved by the American Petroleum Institute (API). Today, it successfully caters the evolving opportunities in the end-user segments in India and several other geographies like the Middle East, Europe, Africa and Asia.

The Company's Lighting segment, established in 1984, was set up with the dream of *Lighting Every City Every Home* and has successfully evolved as a renowned brand in the lighting industry. It manufactures an array of conventional to professional products like GLS, CFL, LEDs, Street Lights, Downlighters and Luminaries. The manufacturing facilities of the Lighting segment are located in Uttarakhand and Madhya Pradesh. The Company's R&D facility at Noida focuses on the innovation in the LED lighting products. Today, the Company's energy-efficient LEDs are recognised for its lower maintenance cost and longer life span. It is favourably positioned to leverage the potential opportunities from the increasing acceptance of LEDs as the future of lighting technology. While a majority of Indians still use the conventional lights in their homes, the adoption of LED lighting is being strongly promoted by the Government for over five years now. The increasing acceptance of LEDs across India augurs well for the Company's future.

The Consumer Durable segment offers a variety of fans and kitchen appliances like mixer grinders, induction cooktops, toasters, irons, water heaters and air coolers, among others.

Over the past few years, Surya Roshni has been consistently focussing on strengthening its position across all areas of operations. It has successfully diversified with wide-spread product portfolio. Today, the Company is favourably positioned to leverage the prevailing opportunities in its respective segments. The Company's new 'avatar' is well supported by its strong brand, innovation, efficient manufacturing processes, distribution network and consumer connect. The overall financial health has also been prudent with decreasing Capex, reducing working capital & debts and a lowering financing cost. With ethics and values forming the core of every action, the Company is rightly guided by its expert Management Team for each vertical. This is helping foster the Company's *Surya Parivar* culture with the right entrepreneurial spirit.

## Part II

### Industry Structure and Developments

India has now emerged as the 5<sup>th</sup> largest economy, leapfrogging France and the UK. Prior to 2019-20, the Country's GDP showed a strong growth trend owing to strong emphasis on rural growth, adoption of efficient technologies, rapid urbanisation, strong regulations, formalisation and infrastructural progress. However, the previous fiscal threw upon its own set of challenges. This impacted the areas of liquidity which ended up slowing investments and industrial growth along with lowering consumption levels. The Government undertook several measures to mitigate these challenges and revive the subdued consumer demand. Just when the economy had started getting back on track, India was hit by the COVID-19 pandemic in March 2020. The

resultant nationwide lockdown as a measure to curb the virus spread, impacted the economic growth and livelihoods of people. The Government took several measures and announced ambitious packages, largely focussing on the upliftment of the lower class and making India a self-reliant nation going ahead. This is going to positively impact the Company's future owing to its presence in the rural, semi-urban areas and in the prime segments.

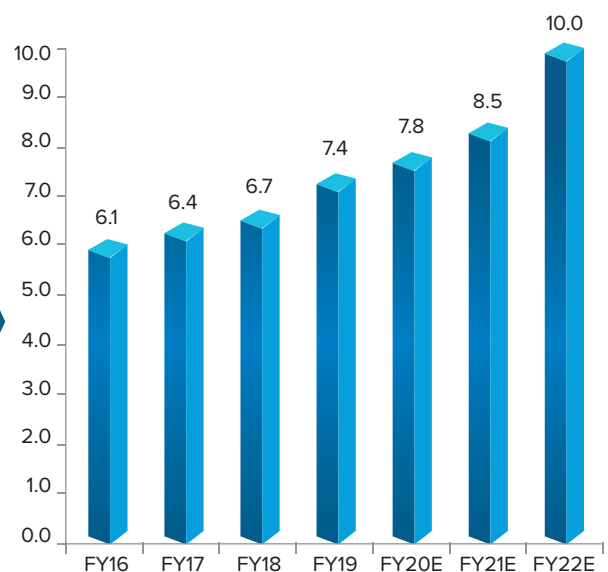
#### a) Steel Tubes and Pipes

Steel is the primary input used for the manufacturing of steel tubes and pipes. India's steel production has already surpassed 100 mt in 2020 and is now the second largest producer globally, with the larger part being consumed domestically. Availability of high quality raw materials play a key role in our business. The raw materials for ERW, Spiral Pipes and CR Sheets and Strips are sourced locally. Certain grades of raw materials are imported for API Pipes. The pricing has been reasonably lower during the year.

India's ₹ 50,000 crore worth Steel Pipes and Tubes industry accounts for 8% of the domestic steel consumption. The industry, including products like SAW, ERW Pipes, Galvanised Pipes, Steel Sections and Steel Panels, has witnessed a CAGR of 6-7% over the past five years. These pipes are also exported to countries like the US, Europe, Malaysia, Thailand, the Middle East, and Indonesia. Competitive pricing, high quality and locational advantage are the factors at play behind the exports.

The domestic ERW Steel Pipes industry demand is expected to touch 10 mt by 2022 with an approximate market size of around ₹ 600 billion. This demand will be largely driven by water transportation, oil & gas, fire-fighting, construction, infrastructure and furniture segment, among others.

#### ERW Pipes industry growth trend (in million tonnes)



E: Estimated Growth



## Water

India houses 16% of the world's population, 15% of the world's livestock but only 4% of the world's water resources. The water scarcity in India is expected to worsen as the country's water demand is projected to double from the available supply. This is due to the rising population, excessive groundwater pumping and inefficient water management system. Lately, the Government has initiated several measures to mitigate against the forward-looking water shortage scenario. The 'Jal Shakti Abhiyaan' scheme launched by the Government aims at providing piped water to every household by 2024, up from 18% at present. The ambitious project aims to add 150 million households across 0.5 million+ villages over the next five years. The Government is also interlinking 60 rivers through reservoirs and canals, which will lead to an increase in irrigation land by about 15%. This will necessitate an increase in the pipe demand from the rural and agriculture sector.

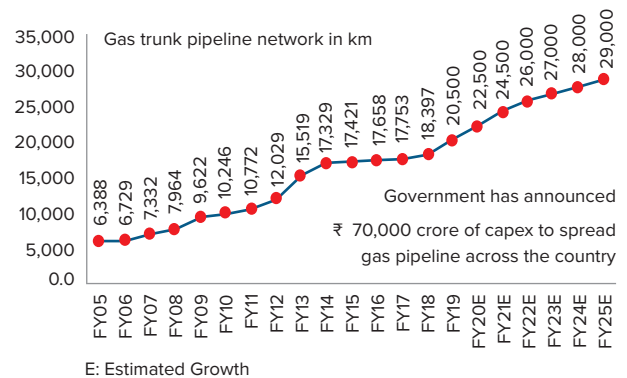
## Oil & Gas

The global oil prices dropped to historic lows of USD 30 per barrel and \$3.5 per mmbtu, respectively, during March 2020, owing to a strong demand supply mismatch. However, the long term view of the capex plans of the upstream oil & gas companies still hold strong. The steel pipes market looks promising with its entailing demand from the oil exploration industry.

India is the third-largest energy consumer globally and its primary energy demand is expected to increase threefold by 2035, to 1,516 mt of oil. To meet this demand, the Indian oil & gas industry is undergoing capacity and production expansion drive. Besides, few of the Indian the oil & gas transmission pipelines have already outlived their economic lives of 30 years. This has brought along a pressing need to replace at least 1/10th of these pipelines.

The share of natural gas in India's total energy basket stands at 6.2% against the global average of about 24% (Source: *Livemint*, June 15, 2020). To fill this gap, the Government promoted investor-friendly exploration regime and gave a strong push to increase the City Gas Distribution (CGD) networks across the country. It is offering a special impetus towards building a solid gas infrastructure across the nation and has planned investments worth USD 60 billion for developing natural gas supply and distribution infrastructure (Source: *Hindu Business Line*, October 13, 2019). It has also announced to increase its national gas trunk pipeline network from the current 18,000 km to 29,000 km over the next 5-7 years. All these developments augur well to steer India towards a low-carbon future and help transport gas to any corner of the nation.

## Natural Gas Trunk Pipeline Network to Expand



(Source: PNGSTAT, PNGRB & Ventura Research)

CGD contributes around 17.57% of the total natural gas consumption in India (Source: *Iflr 1000*). With the development of long-distance gas pipeline, the stakeholders involved in it are contributing towards its sustainable growth. Piped natural



gas ensures a consistent supply of fuel, cost-efficiency and promotes eco-friendliness. As of January 2020, 55 lakh domestic households were connected with the piped gas in the country. The city gas projects in 232 geographical areas covering more than 400 districts, across states and union territories, are underway and expected to cover over 70% of population. It will necessitate building up of 1.6 lakhs km of gas pipeline across India.

### Cold Rolled Steel Sheet and Strips

Cold Rolled Steel Sheets offer a variety of outstanding properties, including easy formability and a smooth, clean surface. They are available in both wide and narrow range. Wide range is manufactured by large players as a part of their downstream operations. Narrow range caters to the niche and customised requirements of the customers. Surya Roshni manufactures narrow range CR sheets to address the tailor-made requirements of the customers.

### b) Lighting and Consumer Durables

India, as the second most populous country and the fifth-largest consumer of electricity globally, is witnessing an ever-growing gap between its electricity demand and supply. One of the biggest drivers for filling this gap is the adoption of energy-efficient LED lights. While a majority of Indians still use incandescent bulbs in their homes, the adoption of LED lighting is gradually transforming the industry space. The price of an LED has dropped from ₹ 310 in 2014 to ₹ 70 today, thus indicating an increasing affordability and acceptability going ahead. LEDs use much less energy in terms of power and enjoy a much longer life. The Government has been actively promoting the usage of LEDs. Today, over 360 million LED bulbs have been distributed by the Government through Energy Efficiency Services Limited

(EESL). This was done through the 'Ujala' program which led to ~47,000 million kWh energy savings per year and avoided approximately 9,423 mw of peak demand. It further led to a savings of over ₹ 18,828 crore and reduction of over 38 mt of CO<sub>2</sub>, annually. The EESL Street Light National Program (SLNP), where over 1.34 crore energy-efficient streetlights are planned to be installed across Indian cities, celebrated its 1 crore installation in October 2019.

The world of lighting technology is undergoing a vast phase of innovation with the emergence of smart and connected lightings. These lights not only add aesthetic beauty to interiors but they are also becoming a necessity of modern times. Connected lighting comes in handy and beneficial for large installations like street lights. It helps measure real-time performance and monitoring of commercial projects. Each fitting can be controlled either manually or automatically while using dimmer facility. These connected lighting products provide different hues as per the requirement of place and mood of the event.

Rising consumer awareness about cost-effectiveness and eco-friendliness of LED lights would continue to drive sales volume from sectors like residential, commercial, industrial, monumental, public lighting, airports, petrol pumps, highways and façade, among others. Besides, EESL further plans to offer 600 million LED bulbs in rural areas at ₹ 10 per piece, without any government support or subsidy by off-setting the cost and claiming carbon credits under CDM mechanism. This would further drive the demand for LED lamps and luminaires over the coming years.

### Fans

India being tropical in its climate, a fan is an indispensable consumer durable. It plays an important role for every household. Even the homes with air-conditioners have fans installed on the ceiling. The fan market is largely classified into Ceiling fans, Table fans, Pedestal fans and Wall fans.

Over the past few years, the industry has seen several innovations in the fan offerings like dust-free, anti-bacterial, and LED fans, among others. There still remains a high purchase priority for fans amongst durables owing to increased electrification, tropical weather, higher disposable income, replacement cycle and energy-efficient fans.

### Home Appliances

The Indian Home Appliances segment is one of the fastest-growing industries. It is driven by both, large and small appliances. The emerging economy and changing lifestyle of Indian consumers is leading to the growth in the number of working people, nuclear families and single-person households, along with migrating-the-job population. These developing households have an increasing need for accessibility. These consumers are often found looking for products that offer convenience while considerably reducing the time and effort spent on everyday chores.



## Part III

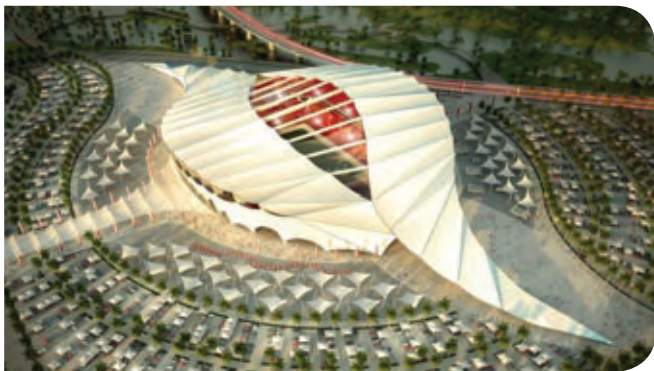
### Operational Review

#### 1) Steel Pipes and Strips



The Company operates through its four manufacturing facilities, strategically located at Anjar (Gujarat), Hindupur (Andhra Pradesh), Malanpur (Madhya Pradesh) and Bahadurgarh (NCR-Delhi).

Factory location	What do they produce?	Value-drivers
<b>Anjar</b>	ERW and Spiral Pipes (GI, Black, Section) and API Pipes with 3LPE Coating	<ul style="list-style-type: none"> <li>➤ Installation of 3LPE Coating lines will lead to higher sales of value-added pipes</li> <li>➤ It will further improve the utilisation levels owing to the further expansion in 3LPE Coating facility</li> <li>➤ Installed 2MW captive solar power to rationalise energy costs</li> <li>➤ Upgraded the dedicated power lines from 11 KVH to 66 KVH to further improve the power quality and reduce cost</li> <li>➤ State-of-the-art manufacturing facility</li> <li>➤ Strategically located near Kandla and Mundra Port</li> </ul>
<b>Hindupur</b>	ERW (GI, Black and Section), along with GP Pipes	<ul style="list-style-type: none"> <li>➤ Completed expansions and added GP Pipes</li> <li>➤ State-of-the-art manufacturing facility</li> <li>➤ Full utilisation of capacities leading to cost optimisation</li> <li>➤ Eligible for tax incentives under the A.P. State Policy</li> </ul>
<b>Malanpur</b>	ERW (GI, Black and Section)	<ul style="list-style-type: none"> <li>➤ State-of-the-art technology with a range of section pipes to capture strong demand</li> <li>➤ Ample infrastructure facilities for future expansions</li> <li>➤ Eligible for state industrial incentives upto 2025</li> </ul>
<b>Bahadurgarh</b>	ERW Pipes (GI, Black, Section), API Pipes	<ul style="list-style-type: none"> <li>➤ Utilisation of ERW capacities towards manufacturing API Pipes for CGD will lead to improvement in profitability going ahead</li> </ul>

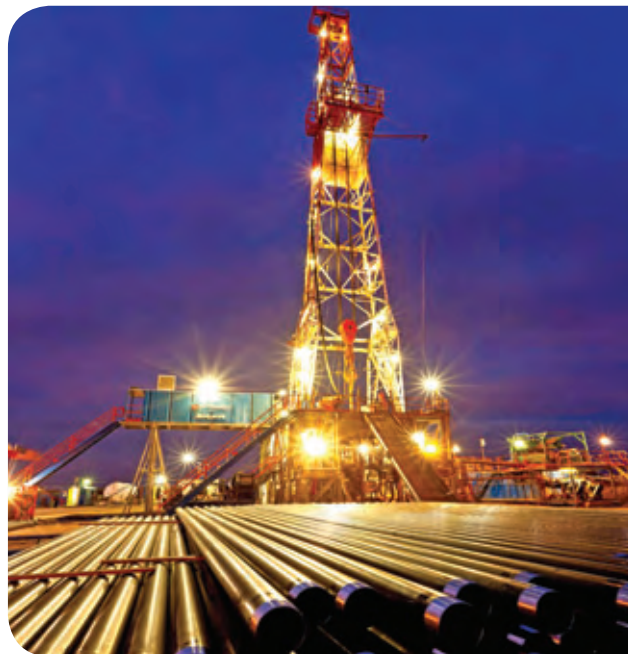


These plants are suitably equipped with high-end machines ranging from slitting lines, pipe mills, galvanising units, finishing machines and failsafe, as well as high-pressure hydro machines along with adequate handling facilities. All the products in Steel Pipes & Strips segment are sold under the brand name of Prakash Surya. These products are exported to 50 countries, wherein, the Gulf Cooperation Council (GCC) countries holds indomitable position. Our pipes have been used across prominent structures like Burj Khalifa, Dubai International Airport, Dubai Expo and Stadiums for FIFA 2022.



#### a. ERW Steel Pipes

The Company offers ERW Steel Pipes in the range of ½” to 16” diameter. These pipes are variedly used across agriculture, water transportation, fire-fighting, irrigation, greenhouse and construction activities like scaffolding, casing, and tubing in bore wells. It plays an instrumental role in long distance supply of water, gas, petroleum, chemicals, and other liquids from one location to another. These pipes are quite resistant towards difficult industry conditions. Therefore, these are produced so as to match the national and international specifications.



#### Competitiveness

- Manufacturing leadership: No. 1 in India for ERW GI Pipes
- Overseas presence: Leading exporter of ERW Pipes with 60% market share in exports from India
- Pan India presence with leader in South India and among the top 3 in North India for GI Pipes
- Caters to the hilly regions of India: Provides the pipes required for housing in Jammu & Kashmir, Uttarakhand, and Himachal Pradesh, among others
- Value-added products: 3LPE Coated pipes, Alkyd pipes, Grooved, Red Oxide Primer Pipes and Heat Treated Pipes, among others
- Some of the prominent customers include IOCL, BPCL, BGRL, Gujarat Gas, MNGL and MGL, among others
- Received accreditations from all major PMC committee like EIL and Mecon, among others





## Product Applications

### GI Pipes

- > Agriculture and irrigation
- > Casing and tubing
- > Water transportation/plumbing and pipelines
- > Green houses
- > Fire fighting
- > Street light poles
- > Solar panels

### Black

- > Industrial infrastructure/construction works/fabrication
- > Road transportation – side structures/ fencing (section pipe, sign boards)
- > Railways – platforms and metros
- > Airports structures
- > Smart cities infrastructure
- > River connectivity and interlinking
- > Door frames, window frames and furniture (section pipes)
- > Scaffoldings

### Hollow

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

## Favourable Government schemes

- > Har Ghar Nal se Jal by 2024
- > Smart Cities & Pradhan Mantri Sahaj Bijli Har Ghar Yojna
- > Housing For All
- > Aatma Nirbhar Bharat Abhiyaan
- > Pradhan Mantri Krishi Sinchai Yojana (PMKSY)
- > Pradhan Mantri Jal Marg Yojana (PMJMY)
- > Ude Desh ka Aam Naagrik Regional Connectivity Scheme (UDAN-RCS)
- > Atal Mission for Rejuvenation and Urban Transformation (AMRUT)



The Company stands to benefit from recent Government schemes like 'Har Ghar Nal Se Jal', river interconnectivity and doubling of farmers income. It will lead to a strong demand for pipes from the agriculture and irrigation activities. The demand for black/round pipe may see a temporary halt in offtake owing to the slowdown in the real estate. However, the usage of section pipes will see a reasonable growth in the general fabrication work.





### b. API

The Company adheres to the international standards and manufactures quality API pipes. The 3LPE, 3LPP, FBE (single and dual layer) and epoxy coatings on it make it rust-resistant while increasing its endurance. The world-class 3LPE Coating plant machinery has been procured from Selmers, Netherlands. The Company has obtained certifications of ISO 9001, 14001 & 18001, which clearly defines its credibility. The Company produces a diverse range of pipes including EN, BS, AUSTRALIA and ASTRA GRADE.

The specialised 3LPE Coated API Pipes are widely used in transportation of petroleum and natural gas, city gas distribution and water pipelines. With Government's special thrust on these high growth areas, the Company stands to benefit from the emerging opportunities. The current capacities are fully occupied and the Company is further expanding 3LPE Coating by installing the second line to cater the anticipated demands. The expansion will utilise the existing offline capacities of the Company, resulting in cost efficiencies and improved margins.

### c. Spiral

The Spiral Welded Pipes manufactured by the Company are within 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. With the 3LPE Coating facility in place, the utilisation levels of Spiral Pipes have gone up as most of the pipes required by the oil & gas segment needs the coating. The Company is also participating in international tenders from Middle East for larger diameter API Pipes and are at an advanced stage of negotiations.

### d. Cold Rolled Strips and Sheets

The Company specialises in processing Cold Rolled Steel Strips with a width of up to 720 mm and thickness of 0.3 to 0.6 mm. They are used in 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. The Company has been consistently maintaining and improving the quality of the Bahadurgarh Cold Rolled Plant over the period. The products from this plant are sold across NCR and different markets of North India. The orders are small in size but 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 3,30,000 mt)

**2,00,000 mt**

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

**1,15,000 mt**

CR Sheets

### 3 LPE Coating Facilities

External:

**18,50,000 sq. mtr.**

Internal:

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

### Highlights 2019-20

- Recorded higher contribution from value-added products viz GI Pipes, API Pipes and from exports, leading to stronger EBIDTA/tonne
- Completed capacity expansion programme for the Hindupur Unit with total capacity now standing at 2 lakh mt p.a. of ERW Pipes including Galvanised Pipes
- Achieved continuous improvement through quality enhancements
- Rationalised costs & overheads, energy consumption & manpower cost with enhanced efficiencies
- Achieved strong fixed asset turnover ratio with the help of a disciplined investment approach
- Fully-engaged capacities which helped in improving the overall contribution
- 3LPE Coating facilities remained fully engaged for API Pipes with sufficient orders in hand
- Initiated expansion programme for installation of second 3LPE Coating Line

## Opportunity Zones and Outlook

### Water segment

The Government is placing huge impetus on water conservation across 256 districts through rain-water harvesting, renovation of traditional and other water bodies/tanks, re-use and borewell recharge structures, watershed development and intensive afforestation. Besides, the river interlinking projects will ensure supply of excessive water from flood-prone zones to arid regions. The Government's 'Har Ghar Nal se Jal' mission is envisioned to provide safe and adequate drinking water through individual household tap connections by 2024 to all households in rural India. These opportunities will translate into strong demand for Surya's GI Pipes as they would be extensively used for the water transportation.

### Rural and agriculture

The Government is supporting farmers by setting strong Minimum Support Price, providing subsidies, imposing import restrictions on oil seeds and pulses, developing income doubling schemes and making finance easily available. This is giving rise and push to agriculture modernisation through adoption of irrigation system and greenhouse farming. It is helping farmers manage water better while overcoming unpredictable weather. The success of agriculture

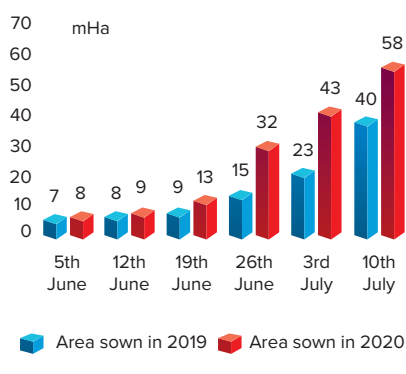
modernisation is creating a strong demand for GI Pipes. Moreover, the usage of GI Pipes for casing and tubing for water excavation purpose is also seen going up.

Surya Roshni is favourably positioned to leverage this opportunity owing to its strong presence in the rural segment through its PAN India dealer network. Moreover, the water level in Southern India is substantially low. This will further translate into a positive demand for GI Pipes owing to the Company's dominating presence in the Southern India.



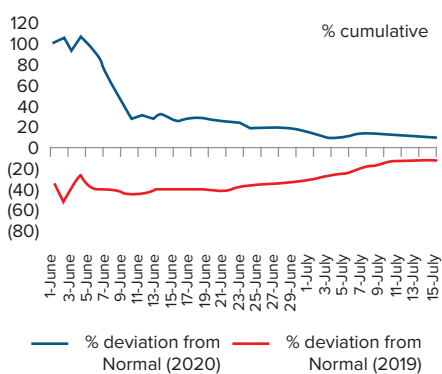
### Emerging rural trends – indicates stabilisation in rural demand

#### Crop sowing has trended above normal with >50% planting done



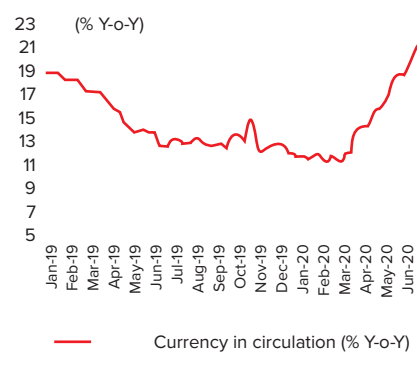
(Source: Ministry of Agriculture, Jefferies)

#### Monsoon rainfall has continued to trend above normal



(Source: IMD, Jefferies)

#### Higher currency in circulation indicates rising proportion of rural activity



(Source: RBI, Jefferies)

### Moving towards cleaner fuel and CGD adoption

As the world acts on climate change, we are constantly finding alternatives to move towards cleaner fuel. India is strongly contributing to this by strengthening its renewable energy and gas infrastructure. India's green energy is expected to increase from the current ~65 GW to 100+ GW by 2022. PNG connections are expected to increase by 4.2 crore from the current 55 lakh in the coming 8-10 years. CGD market is forecasted to witness a CAGR of ~7.5% and is anticipated to grow from an estimated 9,100 million Metric Standard Cubic Meter (MMSCM) in 2019 to 28,500 MMSCM by 2035 (Source: DSUJ). This growth is most likely to ride the back of demand from end-user segments such as automotive, industrial, commercial, and residential.

The long-term outlook of the oil & gas segment remains stable and will continue to benefit the Company as it will increase the demand for API, 3LPE Coated and Spiral Pipes. Besides, the CGD manufacturers demand premium products, which will lead to better value-addition for the Company and strengthen the profit margins.

### Revival in the two wheeler demand

Post lockdown, there has been a strong revival in demand of 2-wheelers as the consumers are avoiding travelling in public vehicles. Sales of 2-wheeler has been on the rise since the opening up of lockdowns in May 2020 and has touched 85% of the pre-covid levels. At Surya, this development augurs well for the offtake of our CR Sheets and Strips. Moreover, our good and harmonious relations

with our downstream vendors ensures timely supplies to our customers.

### Formalisation of the economy

The economy formalisation, increasing quality consciousness among customers and the impact of lockdowns had made life difficult for the unorganised players. With the subsequent opening of these lockdowns, consolidation is highly favouring the organised players like Surya Roshni. The Company is ready to seize the opportunity as it has consistently evolved over the years through modernisation, operational efficiencies, stringent fiscal prudence, rationalised cost overheads, disciplined capex, strong brand, widespread distribution network, rural presence as well as consistently growing exports. The preparedness makes the Company bullish in driving strong revenue and profitability growth going ahead.

### Exports

The pandemic has given a good opportunity to the nation to expand its share in the world trade. Several global corporations are looking forward for an alternative sourcing

destination to lower their dependence on China. India is favourably placed owing to the scale, cost and quality of the organised manufacturers. Surya Roshni is favourably positioned to address these opportunities. While the Company has already marked a significant presence in the Middle East, it has also started receiving enquiries from newer geographies like Australia, Singapore, South East Asia and the UK. This demand is largely for GI Pipes and Coated Pipes for the segments of fire-fighting, water transmission and sea-side pipelines. The Company has also been receiving enquiries for Spiral Pipes as China and Korea are operating at 50% of their capacities.

As a response to these opportunities, the Company has been constantly expanding its capacities and improving its operating efficiencies. The emphasis on modern advertisement and promotional activities will help enhance the brand visibility across rural and urban India as well as in the overseas markets. Going ahead, the Company is expected witness further improvement in capacity utilisation, increase in EBITDA per tonne as well as improvement in ROCE and ROE by 1-2% annually.

## 2) Lighting and Consumer Durables



### Lighting

Surya Roshni is one of the country's largest producers of energy efficient LEDs, tubelight and light fittings, luminaires, street lighting and high masts. Strong position in the Tier-II/III cities and rural India is helping the Company remain ahead of the curve. The product bandwidth and dominance

in under-penetrated regions have helped the Company gain 2nd spot in the lighting industry. Through innovation and upgradation, the Company has successfully migrated from CFL to a diverse range of LEDs. Various Government welfare schemes and rural electrification drive is playing out in Company's favour. The Company further continues working towards improving productivity, automation, and cost rationalisation in this segment. The Management's foresight on the future of LED necessitated the investment in setting up a dedicated R&D centre – Surya Technology and Innovation Center (STIC) – at Noida. The state-of-the-art lab has driven innovation and consistently delivered the new age future lighting products.

## Some of the key LED offerings include:

- High-beam angle LED lamps
- Colour changer LED lamps
- Range downlighters and LED battens
- LED torch with dry cell battery and rechargeable
- Rechargeable lantern
- Solar LEDs
- Spotlights
- Smart motion-sensor LEDs
- Auto-dimming LEDs
- Smart downlighters
- LED strips lights
- High-efficiency driver range
- Industrial bay luminaries
- LED floor lights
- PIT lights
- High-efficiency LED street lights



The lighting products – GLS, TL and HID – and components are produced at the Kashipur facility (Uttarakhand) while LED, Lamps, Street Lights, Decorative and Conventional products are manufactured at Gwalior (Madhya Pradesh). Both these facilities have state-of-the-art infrastructure with Compulsory Registration Scheme (CRS) approval of MeitY/BIS for LED products. This helps in ensuring the quality and

safety of LED products. Further, these products are made available in the market through 2,500 dealers and 2.50 lakh retailers present all across the country. They are also available on various e-commerce websites, making it easier for customers to navigate and purchase online in the times of social distancing. The Company also caters to over 40 overseas markets through exports.

## Sustaining the lighting revolution over the past five years

The lighting industry has witnessed a strong revolution over the past five years. The transition from conventional lighting to the modern new age LED lighting has brought along with it consistent challenges with respect to technology, quality and pricing.

Surya Roshni has successfully transformed these challenges into opportunities by proactively building future strategies over the years to sustain the revolution.

1. Investing in establishing the R&D unit to counter the changing requirements and manufacture value-added new generation LEDs in-house
2. Reducing utilisation of warranty provisions by consistently observing the trends and improving the quality
3. Introducing channel financing without recourse for the dealers
4. Enlarging the product basket by introducing fan and home appliances
5. Capacity enhancement in PVC Pipes and Fittings

### Visible outcomes:

Sales trends	2019-20	2014-15	Absolute change
Conventional lighting (other than CFL)	₹ 269 crore	₹ 536 crore	- ₹ 267 crore
CFL	₹ 10 crore	₹ 375 crore	- ₹ 365 crore
LED	₹ 704 crore	₹ 50 crore	+ ₹ 654 crore
Consumer Durables and PVC Fittings	₹ 263 crore	₹ 112 crore	+ ₹ 151 crore

Note: There is an additional impact of ₹ 115 crore due to adoption of Ind-AS and implementation of GST

## KPIs

### EESL:

Under SLNP scheme

Streets Lights installed

**10.8 million**

Surya Roshni's contribution

**25%**

### UJALA:

LED Bulbs

Distributed

**770 million**

Surya Roshni's contribution

**11%**

### UJALA:

LED Tube Lights

Distributed

**7.2 million**

Surya Roshni's contribution

**40%**

## 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

## Highlights 2019-20

- Witnessed deferment of EESL sales and Government orders; the sales will be realised at later date
- The growth in the future lighting (LEDs) remained stable despite challenging situations in the last few days of the fiscal year
- Executed orders for Ahmedabad, Vadodara Railway Station, Leh Palace, Delhi Street Light and Renowned Retail Chains, among others
- Received orders for smart city, railway stations, flyovers and bridges, temple, monuments, and tourist spots lighting
- Witnessed demand revival for conventional lighting
- Contributed to strong operating cash flows of ₹ 156 crore (net of acceptances) during the year, which helped in reducing debt



## Fans and Home Appliances

Over the last five years, Surya Roshni has become one of the household names for fans and range of home appliances. Keeping in view the present trends in the market, the Company has been consistently enriching its product range to meet the consumer expectations and reached sixth position in the fan market. The Company offers wide categories of premium decorative and colourful range of ceiling, table, pedestal, wall mounting fans and exhaust fans. The Company also manufactures value-added energy-efficient fans and anti-dust fans. This has helped make the brand Surya, a favourite amongst customers. Over the years, the sales of fans have increased from ₹ 65 crore in 2014-15 to ₹ 142 crore in 2019-20.

The Company further ventured into Home Appliances with a product portfolio comprising electrical appliances (mainly brown goods) like water heaters, room heaters, dry irons, steam irons and immersion heaters. It also includes kitchen appliances like mixer grinder, induction cookers, toasters and cooktops, among others. Over the years, the sales of home appliances have increased from ₹ 7 crore in 2014-15 to ₹ 64 crore in 2019-20. The Company continues to leverage its existing distribution strength to penetrate deeper into the home appliances segment and increase its market share. The combined outcome of both fans and home appliances will enable the Company to maintain stable ROCEs.

## PVC Pipes

Surya Roshni manufactures CPVC/PVC pipes at its state-of-the-art unit in Kashipur. The Company's focus on innovation ensures best quality products and easy installation. The wide range of products cater high potential segments like housing, irrigation, infrastructure, drainage and chemical transportation, among others. Over the years, the sales of PVC has increased from ₹ 38 crore in 2014-15 to ₹ 56 crore in 2019-20, with 17% year-on-year growth coming in 2019-20. Considering the response and the demand for this product, the production capacities were increased by 3,000 mt p.a. to a total capacity to 8,200 mt p.a. The new capacities will allow the Company to reach out beyond the Northern region and penetrate newer geographies. Besides, the Company is also set to benefit from the ongoing awareness for 'Swachh



Bharat', 'Affordable Clean Drinking Water Supply' as well as schemes like 'Har Ghar Nal Ka Jal' by 2024 under the Jal Jeevan Mission and increasing focus on irrigation and affordable housing. The Company is bullish on improving EBIDTA margins from this segment owing to higher utilisation of capacities. The Company has already crossed approximately 70% utilisation in June 2020 and is further exploring possibilities of expanding capacities.

### Opportunity zones and outlook

#### Design-based professional lighting

The Company, through its luminaire business group, did store lighting for one of the renowned retail chains during the year. This opens up the opportunity for the Company to further explore possibilities in the professional lighting of such large retail stores. The Company is also trying to enhance its presence in the façade lighting as a local manufacturer as the dependence of importing from China is expected to go down. Overall, it will provide a good visibility as a brand and improve the profit margins.

#### Government initiatives

The Government's endeavours towards making India a USD 5 trillion economy shall drive the demand for LEDs, fans and home appliances from the following segments:

- Infrastructure and real estate development: Housing, office park, hospitality, and monuments
- Power infrastructure: Rural electrification and various Government programmes
- Pushing energy-efficient utilities: Solar power usage and LED distribution

Surya Roshni is well positioned to leverage this opportunity and ready to respond with its range of fans and home appliances products. The Company's proactive strategy of

venturing into solar lighting shall be fruitful as it will help cater the demand from this segment.

#### Conventional lighting

The demand for conventional lighting has witnessed a rising trend post COVID-19 owing to reverse migration and lower prices. Surya Roshni has already witnessed growing volumes in the first quarter of 2020-21 with its capacities fully booked. Besides, market consolidation of organised segment has further increased the volumes through several third party orders. Going ahead, the segment will witness higher utilisation levels and drive revenues for the Company.

#### Emergence of organised segment

The pandemic has thrown open a wide range of opportunities for players with strong capacities, operational efficiencies and larger reach. While the unorganised segment faced several challenges with respect to supply of crucial components, Surya Roshni did not face any such roadblock. The Company strategically maintains sufficient stocks to run the plant and meet the market requirements. The increasing volumes shall further help the Company to rationalise its cost price, which is evident from the trends observed in June 2020.

The Company is bearing rich fruits from the industry consolidation. It will further explore possibilities in the export markets owing to the change in consumer sentiments for Chinese products. The Company has a strong manufacturing set up, large product range and strong efficiencies to respond this increasing demand. Besides, focus on energy-efficient products, rising consumer aspirations, increasing electrification of rural areas, along with the rising influence of online media will aid the future growth of this segment.







## Part IV

### Growth enablers

#### Strong brand

Surya has established brand names like 'Prakash Surya' for the Steel Pipes & Strips segment and 'Surya' for the lighting products. The Company has been utilising different mediums of advertising to improve its brand visibility.

#### Dynamic team

The Company has 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 with the shared vision and goals.

#### Wide distribution network

The Company has an enormous reach across the length and breadth of the country. The strong dealer and distributor network of both the businesses, facilitate reaching out to different corners of India. On the other hand, the decentralised branch/depot networks help with the quick delivery turnaround to customers.

#### Diversified business and presence

The Company is involved in different business verticals. Within each vertical, it offers a wide array of products. These products are sold across India and exported to over 50 countries. With this diversification, the Company has hedged itself from specific industry or region risk to grow sustainably.

## Part V

### Financial Review

(₹ in crore)

Particulars	Standalone		Consolidated	
	For the year ended 31st March,		For the year ended 31st March,	
	2019-20	2018-19	2019-20	2018-19
Revenue from Operations	5,469.02	5,977.04	5,471.05	5,975.04
Other Income	3.35	4.11	3.35	4.11
Total Revenue	5,472.37	5981.15	5,474.40	5,979.15
EBITDA	356.95	376.16	357.55	376.07
Finance Costs	114.11	115.07	114.13	115.08
Cash Profit	242.84	261.09	243.42	260.99
Depreciation and Amortisation Expenses	103.47	88.51	103.47	88.51
Net Profit Before Tax	139.37	172.58	139.95	172.48
Tax Expenses	37.16	51.70	37.40	51.67
Net Profit After Tax	102.21	120.88	102.55	120.81
Other Comprehensive Income	(2.07)	(3.15)	(2.07)	(3.15)
Total Comprehensive Income	100.14	117.73	100.48	117.66
EPS (in ₹)	18.78	22.22	18.85	22.20

The revenues and profitability were impacted owing to the COVID-19 pandemic and the subsequent lockdown, declining prices of Street Lights & Luminaires on y-o-y basis as well as deferment of institutional sales.

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

➤ The revenue from the Company's operations was reported at ₹ 5,469.02 crore as compared to ₹ 5,977.04 crore in the previous year.

➤ EBITDA reported at ₹ 356.95 crore as compared to ₹ 376.16 crore in the previous year

➤ Profit before tax stood at ₹ 139.37 crore as compared to ₹ 172.58 crore in the previous year

➤ Profit after tax stood at ₹ 102.21 crore as compared to ₹ 120.88 crore in the previous year

### Key Financial Ratios

Ratio	Standalone		Consolidated	
	2019-20	2018-19	2019-20	2018-19
Debtors Turnover (Days) <sup>§</sup>	49	54	48	54
Inventory Turnover (Days) <sup>§§</sup>	61	52	61	52
Interest Coverage Ratio <sup>&amp;</sup>	3.13	3.27	3.13	3.27
Current Ratio <sup>*</sup>	1.33	1.33	1.33	1.33
Debt Equity Ratio <sup>**</sup>	0.88	1.03	0.88	1.03
Operating Profit Margin (%) <sup>#</sup>	6.47	6.22	6.47	6.23
Net Profit Margin (%)	1.87	2.02	1.87	2.02
Return on Net Worth (%) <sup>@</sup>	8.55	10.99	8.58	10.99

<sup>§</sup> Debtors (including unbilled revenue and non-current receivables) / (Revenue from operations/365)

<sup>§§</sup> Inventory / (Revenue from operations/365)

<sup>&</sup> Interest (Finance cost) / EBITDA

<sup>\*</sup> Current Assets / Current Liabilities (including Current maturity of long-term borrowings)

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

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

<sup>@</sup> Profit for the year / Average Net Worth

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

## Part VI

### Risk Management

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

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



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

- a. Identification of risks under various categories like operational, financial, regulatory, technological and related to human resources

- b. Assessment of risks in terms of severity of impact and likelihood of occurrence
- c. Assignment of responsibilities
- d. Development of mitigation plans which create value for business
- e. Monitoring and reporting

The Audit Committee and the Board of the Company periodically review and evaluate the risk management system of the Company so that the management controls

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

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

Risk type	Risk definition	Risk mitigation
<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 knowhow and development of new products. The Company has state-of-the-art R&D facilities in Lighting segment. In Steel business, the experienced team of technical staff takes care of development of products. Regular updation takes place in both businesses to achieve best quality at competitive costing.
<b>Interest Rate Risk</b>	Risks arising from interest rate fluctuations.	The Company has always been exploring cheaper financial products like commercial papers, WCDL (linked to alternate benchmark rate), export packing credit, foreign currency loan fully hedged to keep the cost of funds to minimum level.
<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 foreign exchange hedging policy to protect the margins in manufacturing, marketing and financing on 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 industrial relations are managed through incentivising, training and counselling of labour. The Company Board has also approved ESOP scheme.
<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, the 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 portfolio of value-added products for lowering commodity prices.

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

## 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, prevent and detect frauds & errors, maintain accuracy and completeness of its accounting records and further enable it in the timely preparation of reliable financial information. Surya 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 is committed to motivating and empowering its employees to play an active role in building the organisation. The Company firmly believes that the employees make an outstanding contribution to the success every day, thanks to their knowledge, commitment, and wide range of skills. Every year, the Company conducts regular trainings and workshops towards skill development and necessary upgrades. The Company also brings in new and talented people on-board for fresh ideas and mindsets.

A prerequisite to attract employees is to make sure everyone in Surya Roshni has equal opportunities and possibilities for a strong professional development. Every year, the top

performers and achievers are recognised in the 'Surya Parivar' for their exemplary performance in the rewards and recognition program.

The Company has a professionally managed set up with working environment characterised by empowerment, high ethical standards, openness and teamwork. These values, together with constant focus on customers and their needs, enable Surya Roshni to deliver on its objectives and strategic priorities. The Company continued to maintain amicable industrial relations by focusing on increased worker-level engagement through formal and informal communication and training forums. As on March 31, 2020, the Company had direct 3,488 employees on its payroll.

## Part IX

### Corporate Social Responsibility

At Surya Roshni, Corporate Social Responsibility (CSR) is based on the core belief of compliance of social and ecological responsibilities. It is an ongoing process towards community well-being and a cleaner and greener environment. The key objectives of Surya Roshni CSR policy are mentioned in Annexure V to the Board's Report. The Company has discharged its responsibilities through the Surya Foundation. The Foundation works in the areas of Adarsh Gram Yojana, development of preventive and cost-effective health systems of naturopathy and yoga and ideal village projects with emphasis on literacy and personality development of youth.

During the year under review, the Company on a consolidated basis spent ₹ 3.02 crore on corporate social activities, being not less than two percent of the average net profits of the Company made during the three immediately preceding financial years.

### Cautionary Statement

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

## BOARD'S REPORT

### To the Members,

The Board of Directors hereby submits the Forty Seventh report of the business and operations of the Company along with the audited financial statements, for the financial year ended 31st March, 2020. The Consolidated performance of the Company and its wholly –owned subsidiary has been referred to wherever required.

The Corona Virus, COVID-19, has caused havoc among all industries worldwide and the Indian industry which was just about to recover from the slowdown in the last few months, is also feeling the pinch, with supply chain disruption of raw materials and finished goods globally.

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

(₹ in crore)

Particulars	Standalone		Consolidated	
	For the year ended March 31,		For the year ended March 31,	
	2020	2019	2020	2019
Revenue from Operations	5,469.02	5,977.04	5,471.05	5,975.04
Other Income	3.35	4.11	3.35	4.11
Total Revenue	5,472.37	5,981.15	5,474.40	5,979.15
EBITDA	356.95	376.16	357.55	376.07
Finance costs	114.11	115.07	114.13	115.08
Cash Profit	242.84	261.09	243.42	260.99
Depreciation and amortisation expenses	103.47	88.51	103.47	88.51
Net Profit Before Tax	139.37	172.58	139.95	172.48
Tax Expenses	37.16	51.70	37.40	51.67
Net Profit After Tax	102.21	120.88	102.55	120.81
Other Comprehensive Income	(2.07)	(3.15)	(2.07)	(3.15)
Total Comprehensive Income	100.14	117.73	100.48	117.66
EPS (In ₹)	18.78	22.22	18.85	22.20

#### Standalone Financial Highlights:

During the year under review, the revenue from operations of the Company is ₹ 5,469.02 crore as compared to ₹ 5,977.04 crore last year register a fall of 8.50%, EBITDA to ₹ 356.95 crore from 376.16 crore register a decline of 5.11%, Profit before tax stands at ₹ 139.37 crore as compared to ₹ 172.58 crore last year, registered a fall of 19.24% and Profit after tax stood at ₹ 102.21 crore as compared to ₹ 120.88 crore last year, decreased by 15.45%. The sales impacted due to decline in prices of steel, LED Street Lights & Luminaires on y-o-y, deferment in EESL / Government sales in lighting, outburst of COVID-19 and consequent lockdown which also impacted the profitability in line with market conditions.

#### Consolidated Financial Highlights:

The Company has sole wholly-owned subsidiary company namely **SURYA ROSHNI LED LIGHTING PROJECTS LIMITED** which was incorporated on 21st January, 2019 as Special Purpose Vehicle (SPV). In the fiscal year under review, the revenue from operations of the Group is ₹ 5,471.05 crore as compared to

₹ 5975.04 crore last year register a decline of 8.43% EBITDA to ₹ 357.55 crore as compared to ₹ 376.07 crore last year registered a fall of 4.92%, Profit before tax stands at ₹ 139.95 crore as compared to ₹ 172.48 crore last year, decreased by 18.86% and Profit after tax stood at ₹ 102.55 crore as compared to ₹ 120.81 crore last year register a decline of 15.11%.

#### STEEL PIPES & STRIPS SEGMENT

The severe spread of COVID19 virus has halted domestic and trade activities across various economies which have disrupted routine activities of multiple nations bringing the countries to halt, thus distorting their economic growth. Indian economy is no exception to it and is also getting hit hard by COVID-19. In India, Steel consumption significantly depends on the overall performance of the economy (GDP) and more specifically on investments made in fixed assets such as housing, infrastructure like railways, ports, roads, airports, etc. Amidst COVID-19 opportunities for the nation higher consumption and demand of steel products is anticipated in time to come.

## BOARD'S REPORT (Contd.)

Surya being the largest exporter of ERW pipes and largest producer of ERW GI Pipes in India. manufactures ERW Steel pipes (GI Black, Hollow section), API & Welded pipes, Spiral, 3LPE Coated pipes & CR strips having wide applications of its products in agriculture, infrastructure, oil & gas and construction sectors. Company products are approved by API (American Petroleum Institute) for Oil & Gas sector. During the year, the steps taken by the company for new products development has further strengthened its operations resulted into increased volume of steel pipes.

The profitability of the segment improved with strengthening of product portfolio. Volume of the segment grew by 4% during the 2019-20 in spite of the impact of adversities of COVID-19 and sluggish market conditions. The overall Revenue of the segment stands at ₹ 4,234.66 crore in 2019-20 as compared to ₹ 4,426.70 crore during 2018-19 in spite of decline in prices. The EBITDA registered 13% growth and stood at ₹ 255.73 crore during 2019-20. Profit before Tax of the segment registered an increase of 31% and stands at ₹ 97.48 during 2019-20 as compared to ₹ 74.28 crore during 2018-19.

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. The Company's expansion program at Hindupur Unit (A.P) has been completed with capacity of 2 lakh M.T per annum of ERW pipes along with Galvanized pipes.

### 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 and has commenced Commercial Production on November 05, 2018 for 3LPE Coated Pipe Manufacturing Unit with an installed capacity of 18,50,000 Sq. mtr. for External and 11,00,000 Sq. mtr. Internal Coating for pipes ranging from 4" to 64" diameter. The 3LPE coated

pipe unit in the last year remained fully engaged, generated sales of ₹ 439 crore of **3LPE Coated Pipes**. Presently the capacities are fully booked, having adequate orders and consistently receiving orders from IOCL, BPCL, BGRL, ONGC and CGD sector for API Grade/ 3 LPE Coated Pipes. The Company has achieved economy of scale and also open additional avenues of growth in terms of volume, new products, and improved profitability.

With the operation of the aforesaid unit, the Company is benefiting by higher capacity utilisation of its existing Spiral and API Pipes facilities, achieve savings in logistic & coating charges which shall further strengthen the presence of the Company in the Domestic as well as Global 3LPE Coated Steel Pipes Segment for Oil, Gas (including CGD) and Infrastructure Sector, leading to improvement in top and bottom line of the Company's Steel Pipe & Strips Segment.

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

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 'Nal se 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.

## BOARD'S REPORT (Contd.)

### LIGHTING & CONSUMER DURABLES SEGMENT

During 2019-20 the Company registered Revenue from operations of ₹ 1,247.97 crore as compared to ₹ 1,553.41 crore in 2018-19. The EBITDA had been ₹ 102.15 crore in 2019-20 as compared to ₹ 149.18 crore in 2018-19. The sale is affected due to decline in prices of LED Street Lights & Luminaires on y-o-y, deferment of EESL Sale and of other Government Orders as well as de-growth (24%) in conventional lighting. The Sale to EESL has been ₹ 96.45 crore in the Current Year as against ₹ 330.19 crore in the previous Year. The sales of the trade division remained stable in the challenging market conditions. The Lighting Segment has contributed Operating Cash Flows of ₹ 154 crore (net of acceptances) during the year which helped in reducing debt.

Ranked as one of the most respectful and trusted brand for lighting product in India, Surya, manufacture all the LED products in-house, backed by strategic marketing initiatives and strong trade channel. During the year, the Company has introduced more premium range of LED Down-lighters, Battens, Lamps, Street Lights, Flood Lights, other decorative luminaires.

The Company has ventured into LED Façade and Solar Lighting Products to capture emerging opportunities. Luminaires division has further strengthen and is getting orders for Smart City, DMRC, Railway Stations, Flyovers and bridges, Temple, Monuments and Tourist spots lighting. Solar products include Solar Street Lights, solar panels, solar fans, solar roof top domestic lighting.

The Company is one amongst the first lighting company in India to introduce energy-efficient lighting solutions. Today, Surya ranked as one of the most respected and trusted brand in India for its Lighting products. Surya, offers wide range of LED products ranging from 0.5w to 25w Lamps, Down-lighters, LED Panels, LED Street lights & LED Hi-bays for Indoor, Commercial and Industrial Lighting sectors which are produced in-house after extensive R&D at its Noida based R & D Centre to suit Indian conditions. Many new products such as High Beam Angle LED Lamps, Color Change LED Lamps, New Range Down lighters, LED Torch with Dry Cell Battery Rechargeable etc. will also be introduced in near future to cater to the growing demand of the customers. This gives Surya an edge over its competitors.

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

The Company's Lighting and Consumer Durables Segment which also includes Fans, Home Appliance and Consumer Durables continue to receive good response and are liked amongst distributors, retailers as well as customers. Surya, added value added and premium range of fans such as Plated fans, Kids fans, Under-lite fans, Ventura, Metallica all in premium Plated finish and even fans with LED in more than 15 designs during the year. Further, Surya Room Coolers ventured last year is receiving overwhelming response during the year and registered decent growth.

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

### DEBT REDUCTION WITH IMPROVEMENT IN FINANCIAL RATIOS

Over the period, the increasing fixed asset utilisation had resulted into generation of higher operating cash flows which helped in reducing the funded debts by ₹ 101 crore and creditors by ₹ 55 crore. The Company has prepaid Term Loans of ₹ 61 crore during the year. The finance cost of the Company remains competitive. The Debt to EBITDA improved to 3.05 and Debt Service Coverage Ratio to 1.89 with Debt Equity at 0.88. Going forward also the funded debt as well as creditors will be reducing substantially due to effective working capital management, channel financing and operating cash flows in the ensuing Q1 of 2020-21.

### FUTURE PROSPECTS

#### STEEL PIPES & STRIPS SEGMENT

Development of India is closely linked to the growth of its Steel Industry. Steel plays a vital role in the development of modern economy and consumption of steel widely taken to be an indicator of economic development. India has become the world's 2nd largest Steel producer surpassing Japan. Steel Pipe Industry continues to have a strong demand in traditional sectors such as construction, housing, transportation, agriculture, boring, firefighting,

## BOARD'S REPORT (Contd.)

Infrastructure, Oil & Gas sector and river interlinking etc. The industry will serve as the backbone of industrialisation of our country. The benefits of having a functional steel industry will translate to a functional country. Drastic steps have been taken by the Govt. of India to improve overall steel production, consumption and exports.

With the unlocking of the economy post lockdown, India is going to become a preferred location for global manufacturing in medium to long term, which shall further make the Company more competitive considering its strong brand presence, PAN India operations and extensive dealer network mainly in rural and semi-urban areas.

The Central Government has given special stimulus packages under **Aatma Nirbhar Bharat Abhiyaan** with more 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 be performing well.

**"Har Ghar Nal Se 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, reaching to 150 million households could mean large spending on water related infrastructure creation over next 5 years. In further push to PM Modi's 'Nal se jaal' scheme, Government proposes ₹ 3.6 lakhs crore towards piped water supply to households, that would benefit various related industry and majorly the pipes industry of Steel Pipes and PVC Pipes where Surya operates.

Company will reap benefits of the same as 3 LPE Coating Pipe manufacturing unit which commenced commercial production with an installed capacity of 18,50,000 square meter external coating and 11,00,000 square meter internal coating for the pipes having diameter between 4" to 64" at its existing campus of Anjar-Bhuj (Gujarat). Seeing the huge domestic requirements and flow of enquiries from Global Markets, the Company is set to go for expansion programme by installation of second 3LPE Coating Line at the existing unit. With this additional coating Line, the share of high value added pipes shall further increase.

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

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

Looking to the brand image of **"Prakash Surya"**, the demand & supply scenario in South Indian market, the Company's state of the art ERW Pipe Manufacturing Mill at Hindupur (A.P) for production of Black, Section and GI pipes also starts 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, improved focus on domestic water segment, irrigation projects, allocation in 'Nal se Jal' scheme, etc. will further boost the growth of the segments

### LIGHTING & CONSUMER DURABLES SEGMENT

The Indian Lighting Industry has been badly affected by the outbreak of COVID-19. Not only have business operations been disrupted and completely shut down leading to significant revenue loss. The Indian Lighting Industry estimates this loss to be in the tune of ₹ 8000 crore in this financial year. The Electric Lamp and Component Manufacturers Association of India (ELCOMA) is in process of making Vision



## BOARD'S REPORT (Contd.)

2022 document to solicit help from both Industry and Government to make India a large hub for manufacturing and exporting lighting products out of India

India, as we all know, is a consumption driven economy and since we are in a long growth phase, demand shall continue both from the new installations and as well as replacement market. The lighting Industry in India is evolving rapidly through the replacement of conventional products by LEDs driven by increasing government initiatives for energy conservation, rising consumer awareness for energy efficient products and innovative products offered by the industry in sync with the mega trend of digitisation of information.

We, at Surya Roshni, manufacture all the LED products in-house. The LEDs manufactured at its fully integrated plants in Kashipur (Uttarakhand) and Gwalior (Madhya Pradesh), supported by Surya Technology & Innovation Centre (STIC) at Noida – an advanced state-of-the-art lighting and research centre with specific focus on LED ensure products are energy-efficient with extremely lower maintenance cost, high brightness, soothing light effect, high-power factor, and wide operating voltage range, operation in extreme temperatures – which ensure energy savings and comes with the facilitation of a remarkable life span. The group, manufactures quality LED products with a world class manufacturing infrastructure.

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

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

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

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

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

For the last few years, STIC has been involved in the research and development of LED Luminaires with several unique and first-in-class features. STIC has invested in various resources required for the

## BOARD'S REPORT (Contd.)

mechanical, electronics and optical development. Our experienced Mechanical engineers equipped with CAD workstation design new lights ensuring that the lights meet the best manufacturing and quality standards. Thermal simulations during design stage ensure that the thermal management is optimum for the long life of the LED luminaires.

Surya design and develop own electronic drivers for use in its vast range of LED lights. High quality and reliability of the drivers is ensured right from the design stage. Advanced features of our drivers like dimmable drivers, DALI drivers, programmable drivers coupled with various types of sensors ensure that we remain at the forefront of LED technology. Various tests to ensure that the drivers perform at their best in real life conditions, are conducted.

Product design team engineers design and develop the product in accordance to the latest Indian and International Standards. Thermal, mechanical and environmental tests are performed on the Luminaires during development. All kinds of electrical and safety tests are available and are performed on the products to so that the luminaires keep functioning during the most adverse conditions.

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

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

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

Green India. Its significance is felt even more due to development of in-house components for LED Lighting under the new environment.

### FAN DIVISION

Fan Business progression in the last 6 years have been phenomenal, Surya, main focus have been in the energy efficient segment, which shall be witnessing high growth within the fan product segment, both in domestic and commercial market segment. Surya endeavour have been to consistently increase the value to all the stake holders in the business, be it the dealers, consumers, vendors or employees.

Surya Fans is one of the fastest growing brand in Indian fans Industry, in the recent years and as part of the IFMA, Surya's Fan volume exceeded 20 lakhs units in the 2019-20.

Surya Fan had made sizeable presence in the economy, premium economy segments, over the last few years, had concentrated in the current year on launching Super premium Fans like Altus, Oretta, Admira and Optima, which have been received well by the consumers in all the markets. The products were designed in order to create higher product and brand image in the market.

The market network have also been increased over the years and special focus on CPC/CSD and E commerce have been initiated in the initial phase however the momentum shall continue in the next financial year as well, so that Surya is aligned as per the market development in all the segments, as E-commerce is bound to further grow, hence the required resources shall be made available to further increase the product and service penetration.

### HOME APPLIANCES AND CONSUMER DURABLES

Surya Small Domestic Appliances business during the last 4 years have been on the growth trajectory since the inception, the product and services are unique, innovative in design, superior in product performance and the overall objective to increase the value being offered to the consumers.

Room Coolers product range was upgraded and expanded in to all new Air Max series, where this was exclusively designed and tooling for Surya which also signifies the investment in to Room Coolers as a product segment, which has double digit growth estimates over the next 5-10 years horizon, Air Max 70L & Air Max 100L have been launched and shall be

## BOARD'S REPORT (Contd.)

further expanded in the current year. Room Coolers had witnessed 10% growth last year.

Surya Water Heaters product portfolio was expanded into new models in the polymer coated series, Qubix 15L, Qubix 25 L were launched along with the all new Insta Plus 3L, instant water heater have also been received by the consumers very enthusiastically, the product construction both in terms of quality and design is at the par with the best in the industry, with these initiatives, growth in Water Heaters segment was 15% and Room Heaters saw an exponential growth in view of a good winter season.

In the kitchen appliances segment as well, there were new product introductions in terms of Mixer Grinders, Vetro Glass Kettles and all new Sandwich Toasters to give a expand the product offering.

In the last few years Surya have been recognised as major Domestic Appliances Player and have been able to establish a consistent and growing business line the Company and this product division shall be on the growth path for next couple of years. For customer service experience to be the best in its class, the service network have been ever expanding and upgraded.

### OUTLOOK

The Indian economy has been struck by the coronavirus pandemic which has affected the supply chain of the economy. Against this backdrop of domestic challenges and global volatility and the uncertainty about timelines by which normalcy will be restored, the Company emerge strongly 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**, higher demand from agriculture, manufacturing, exports and 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)(i) of the Companies Act, 2013, 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 relates to the date of the report are given below:

### GLOBAL PANDEMIC – COVID-19

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. In many countries, businesses are being forced to cease or limit their operations for long or indefinite periods of time. Measures taken to contain the spread of the virus, including travel bans, quarantines, social distancing and closures of non-essential services have triggered significant disruptions to businesses worldwide, resulting in an Economic slowdown.

COVID-19 is significantly impacting business operation of the companies, by way of interruption in production, supply chain disruption and sales volume. The Company has made a detailed assessment of its liquidity position as at the date of approval of these financial statements of the recoverability of carrying amount of Company's assets.

In assessing the recoverability of Company's assets such as as property, plant and equipments, investments, loans and advances, trade receivables, inventories etc. the Company has considered internal and external information. Based on such evaluation, including current indicators of future economic conditions, the Company expects to recover the carrying amount of the assets. However, since the impact assessment of COVID-19 is a continuing process, the eventual impact may be different from the estimates made as of the date of approval of these statements.

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

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

### 4 DIVIDEND:

The Board considering the Company's performance and financial position for the year under review, recommended a dividend pay-out of ₹ 2.00 per equity share for the year ended 2019-20 subject to approval from the shareholders at the ensuing AGM and shall be subject to deduction of Income Tax at Source (TDS). The total outflow on account of equity dividend will be ₹ 10.88 crore.

The dividend on equity shares, if approved at the Annual General Meeting, will be payable to those shareholders whose names appear on the Company's register of members on 4th September, 2020. In respect of shares held in dematerialised form, the

## BOARD'S REPORT (Contd.)

dividend shall be payable on the basis of beneficial ownership as at 4th September, 2020, as per the details furnished by National Securities Depository Ltd./ Central Depository Services (India) Ltd. for the purpose, as on that date.

### 5 BOARD MEETINGS:

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

During the last financial year, our Board met four times, on 21st May, 2019; 2nd August, 2019; 14th November, 2019 and 12th February, 2020.

### SECRETARIAL STANDARDS

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

### 6 DIRECTORS AND KEY MANAGERIAL PERSONNEL :

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

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

#### Re-Appointment of Independent Directors for 2nd term.

The Board of Directors on the recommendation of Nomination and Remuneration Committee (NRC) at its meeting has proposed the name(s) of Shri Ravinder Kumar Narang having DIN -02318041, Shri Krishan Kumar Narula having DIN -00098124, Shri Sudhanshu Kumr Awasthi (DIN – 02162923) for re-appointment for a second term of three consecutive years w.e.f 5th September, 2019 to 4th September, 2022 and Shri Tara Sankar Sudhir Bhattacharya ( DIN – 00157305) and Shri Surendra Singh Khurana (DIN – 02126149) for a second term of five consecutive years w.e.f 5th September, 2019 to 4th September, 2024, which was subsequently approved by the shareholders at the Annual general Meeting held on 4th September, 2019 as per the provisions of the Companies Act, 2013 read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Appointment of Key Managerial Personnel (KMPs)

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

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

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

### 7 DECLARATION FROM INDEPENDENT DIRECTORS ON ANNUAL BASIS

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

### FAMILIARISE PROGRAMME FOR INDEPENDENT DIRECTORS

In view of the provisions of Regulation 25(7) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Companies Act, 2013, a familiarisation programme for Independent Directors was organised during the year to make them update on the recent amendments in the provisions of the Companies Act, 2013 and relevant SEBI Regulations, National Financial Reporting Authority (NERA) Rules etc. A detailed familiarisation programme was presented by representative of Corporate Professional, leading firm of Corporate Law Consultants of the amendments / newly inserted regulations and other recent legal updates, which was keenly participated by every Director on the Board of the Company and express happiness over the same. The detailed familiarisation programme for Directors was uploaded on the website of the company at the following link: [https://surya.co.in/sadmin/upload/144212\\_Recent\\_Amendments.pdf](https://surya.co.in/sadmin/upload/144212_Recent_Amendments.pdf)



## BOARD'S REPORT (Contd.)

### 8 COMPOSITION OF AUDIT & OTHER COMMITTEES

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

Names of the Members	Director Identification No.	Category
Sh. Krishan Kumar Narula	00098124	Chairman ; Independent – Director
Sh.TaraSankar Sudhir Bhattacharya	00157305	Member ; Independent – Director
Sh. Surendra Singh Khurana	02126149	Member ; Independent – Director

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

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

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

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

#### Nomination and Remuneration Committee

The composition of the Committee is as follows:

Names of the Members	DIN	Position	Category
Shri Krishan Kumar Narula	00098124	Chairman	Non-Executive, Independent
Shri Ravinder Kumar Narang	02318041	Member	Non-Executive, Independent
Shri Surendra Singh Khurana	02126149	Member	Non-Executive, Independent

The Nomination and Remuneration Committee is responsible for-

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

## BOARD'S REPORT (Contd.)

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

### Remuneration Policy

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

- attract, recruit and retain good and exceptional talent;
- list down the criteria for determining the qualifications, positive attributes and independence of the directors of the Company;
- ensure that the remuneration of the directors, key managerial personnel and other employees is performance driven, motivates them, 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.

### EVALUATION CRITERIA

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

- The skills, relevant experience, expertise and personal qualities that will best complement the position;
- Potential conflicts of interest, and independence;
- Detailed background information and performance track record;

- the ability to exercise sound business judgment;
- availability to attend Board and Committee meetings; and
- appropriate experience and/or professional qualifications.

### STAKEHOLDER'S RELATIONSHIP COMMITTEE

#### Composition / name of members and chairperson

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

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

### 9 WHISTLE BLOWER POLICY (VIGIL MECHANISM) :

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



[https://surya.co.in/sadmin/upload/162928\\_whistle-blower-policy.pdf](https://surya.co.in/sadmin/upload/162928_whistle-blower-policy.pdf)

## BOARD'S REPORT (Contd.)

### 10 DIRECTOR'S RESPONSIBILITY STATEMENT: In pursuance of section 134 (5) of the Companies Act, 2013

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

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

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

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

### 11 MAINTENANCE OF COST RECORDS

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

### 12 CONSOLIDATED FINANCIAL STATEMENT

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 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 lakh 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 as **Annexure I** to the Report and therefore not repeated, to avoid duplication. Further during the year under review except above, no company have become / ceased to be our subsidiary / Associate Company.

### 14 EXTRACT OF ANNUAL RETURN:

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

### 15 AUDITORS AND AUDIT REPORT:

#### **STATUTORY AUDITORS:**

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

In view of the amendment to the said section 139 through the Companies (Amendment) Act, 2017 notified on 7th May 2018, ratification of auditors'

## BOARD'S REPORT (Contd.)

appointment is no longer required. However, under section 142 of the Companies Act, 2013, members at the Company at the 44th Annual General Meeting authorised the Board of Directors of the Company to fix Auditors' remuneration for the period of their appointment as deem fit and proper.

The Statutory Audit Report for the year 2019-20 does not contain any qualification, reservation or adverse remark or disclaimer made by the Statutory Auditors.

### APPOINTMENT OF OTHER AUDITORS

#### COST AUDITOR

Pursuant to Section 148 of the Companies Act, 2013, the Board has appointed M/s R J Goel & Company (a Cost auditor firm) as Cost Auditors for conducting the audit of the cost records of the Company for the financial year 2019-20.

#### SECRETARIAL AUDITOR:

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed Messrs S G S Associates, a firm of Company Secretaries in Practice, to conduct Secretarial Audit of the Company for the financial year 2019-20. The Secretarial Audit Report for the financial year ended 31st March, 2020 is annexed herewith and marked as **Annexure III** to this report. The Secretarial Audit Report(s) does not contain any qualification, reservation or adverse remark.

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

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

### 17 DETAILS RELATING TO DEPOSITS

The Company has not accepted deposits under Chapter V of the Companies Act, 2013 and as per the provisions of Section 74(1)(b) of the Companies Act, 2013, Company had made pre- payments, re-payments or outstanding unclaimed deposits on or before 31st March, 2015 to all the public depositor of

the Company. At the close of the year 202 depositors aggregating to ₹ 13.48 lakh to whom prepayment and Interest cheques were issued but not cleared.

### 18 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.

### 19 INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO FINANCIAL STATEMENTS

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

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

### 20 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 no. 6 and 46 to the Standalone Financial Statement)

### 21 RISK MANAGEMENT POLICY :

In line with the provisions of Section 134(3)(n) of the Companies Act, 2013 and Regulation 17(9) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Company have developed a Risk



## BOARD'S REPORT (Contd.)

Management Policy for ensuring sustainable business expansion with stability and to promote an upbeat approach towards risk mitigation and minimisation. 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.

Board assess several types of risks which the Company is exposed to from time to time which is provided in Management Discussion and Analysis (MDA) to the Report and therefore not repeated, to avoid duplication.

### 22 CORPORATE SOCIAL RESPONSIBILITY POLICY :

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

#### Composition / Category / name of members and chairperson

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

Sr. No.	Name of the Member	DIN	Category
1	Shri Jai Prakash Agarwal	00041119	Member
2	Shri Raju Bista	01299297	Member
3	Shri Krishan Kumar Narula	00098124	Chairman
4	Shri Kaustubh N Karmarkar	00288642	Member

During the last financial year four CSR Committee meetings were held on 21st May, 2019; 2nd August, 2019; 14th November, 2019 and 12th February, 2020.

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

"Surya Roshni Limited CSR Policy" framed as per the provisions of Section 135 and Schedule VII of the Companies Act, 2013, describes and contains the Company's philosophy for delivering its responsibility as a corporate citizen and lays down the guidelines, process and mechanisms for undertaking socially useful programmes for welfare and sustainable development of the community at large. The key objective is to eradicating hunger, poverty and malnutrition; Promoting health care; making available safe drinking water & Sanitation; Promoting education; enhancing vocational skills & livelihood enhancement projects; Women empowerment; Promoting of home and hostels for women and orphans; Reducing inequality faced by socially and economically backward groups; Animal welfare / animal care; Promoting Art & Culture; Contribution to Prime Minister Relief Fund; Rural development projects; and addressing environmental issues.

Company discharged its responsibilities through **Surya Foundation** a social NGO established in 1992 with established track record of more than 27 years, to undertake CSR related activities and further is an eligible implementing agency in accordance with the provisions of section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014.

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

During the year under review, Company spends ₹ 3.02 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 Companies Act, 2013. No amount was left unspent during the year under review on corporate social responsibility activities. Annual Report on CSR activities is annexed as **Annexure V** to the Board's Report.

## BOARD'S REPORT (Contd.)

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.

### 23 CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:

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

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

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

The revised policy on materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the following link: [https://surya.co.in/admin/upload/143834\\_Related\\_Party\\_Transaction\\_Policy.pdf](https://surya.co.in/admin/upload/143834_Related_Party_Transaction_Policy.pdf)



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

### 24 ANNUAL EVALUATION OF DIRECTORS AND BOARD AS A WHOLE:

Pursuant to the provisions of Section 178 of the Companies Act, 2013 and Clause VII of Schedule

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

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

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

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

Based on the recommendations of the Nomination and Remuneration Committee, Independent directors at their meeting held on 4th March, 2020 review and evaluate the performance of Non-Independent Directors including the Chairman and further review and evaluate the Boards Performance, Board Committees performance and submit its report to the Chairman of the Company for assessment.

The performance evaluation as carried out by the Nomination and Remuneration committee and Independent Directors at their respective meetings were based on Feed – back form received from Directors. Feed-back form carried a structured

## BOARD'S REPORT (Contd.)

questionnaire prepared after taking into consideration various aspects of the Board's functioning and submit their report accordingly.

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

### 25 LISTING WITH STOCK EXCHANGES:

The equity shares of the Company were listed on the following Stock Exchanges during the financial year 2019-20:

<b>BSE Limited</b>	<b>The National Stock Exchange of India Ltd. Category</b>
Rotunda Building, Dalal Street, Fort, Mumbai – 400 001.	Exchange Plaza, Bandra- Kurla Complex, Bandra, Mumbai – 400 051.

#### Stock Code

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

The Company has paid the Annual Listing Fees to both the Stock Exchanges for the Financial Year 2019-20 and 2020-21.

### 26 CORPORATE GOVERNANCE AND SHAREHOLDERS INFORMATION

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 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 "Listing Regulations". A report on Corporate Governance is provided in **Annexure –VII** and form part of this Report.

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

### 27 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 – VIII**

### 28 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.

### 29 GENERAL

- i. The Shareholders of the Company approved the SRL Employee Stock Option Scheme – 2018 vide their Special Resolution dated September 28, 2018. The Company as on date has not allotted any Options to its Employees and thus the Scheme has only been passed and not implemented as on date. Further, as on date Surya Roshni Limited Employees Welfare Trust has also not acquired any Equity Shares from the market. **As and when the Company grants Options in future**, the requisite disclosure as specified in SEBI Circular dated June 16, 2015 shall be made.

## BOARD'S REPORT (Contd.)

### 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.

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

### 30 **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 X**.

### 31 **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: 25th June, 2020**

**J P Agarwal  
Chairman  
DIN- 00041119**

## ANNEXURE – I TO BOARD'S REPORT

### FORM NO. AOC - 1

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

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

### Part A Subsidiaries

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

1. Sl. No.	1
2. Name of the Subsidiary	SURYA ROSHNI LED LIGHTING PROJECTS LIMITED (CIN –U31200DL2019PLC344720)
3. The date since when subsidiary was acquired	21st January, 2019
4. Reporting period for the subsidiary concerned, if different from the holding company's reporting period	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	38,50,000 Equity Shares of ₹ 10/- each fully paid-up
7. Reserve and Surplus	61,27,555
8. Total assets	10,80,11,532
9. Total liabilities	10,80,11,532
10. Investments	-
11. Turnover	8,04,58,404
12. Profit before Taxation	91,33,498
13. Provision for taxation	22,98,719
14. Profit after taxation	68,34,779
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: 25th June, 2020

# ANNEXURE – II TO BOARD'S REPORT

## EXTRACT OF ANNUAL RETURN

as on the financial year ended on 31st March, 2020

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

### I. REGISTRATION AND OTHER DETAILS:

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

### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

Sl. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the company
1	Pipes & Tubes	24106	67.13%
2	CR Strips	24105	10.09%
3	Lighting Products	27400	22.78%

### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

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

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

#### I) Category wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individuals/HUF	26,82,690	-	26,82,690	4.93	26,82,690	-	26,82,690	4.93	-
(b) Central Government	-	-	-	-	-	-	-	-	-
(c) State Government	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	3,15,41,054	-	3,15,41,054	57.97	3,15,41,054	-	3,15,41,054	57.97	-
(e) Banks /Financial Institutions	-	-	-	-	-	-	-	-	-

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

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
f) Any other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (1)</b>	<b>3,42,23,744</b>	<b>-</b>	<b>3,42,23,744</b>	<b>62.90</b>	<b>3,42,23,744</b>	<b>-</b>	<b>3,42,23,744</b>	<b>62.90</b>	<b>-</b>
<b>(2) Foreign</b>									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks /Financial Institutions	-	-	-	-	-	-	-	-	-
e) Any other (specify)	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A) (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total Shareholding of Promoter (A) = (A)(1) +(A)(2)</b>	<b>3,42,23,744</b>	<b>-</b>	<b>3,42,23,744</b>	<b>62.90</b>	<b>3,42,23,744</b>	<b>-</b>	<b>3,42,23,744</b>	<b>62.90</b>	<b>-</b>
<b>(B) Public shareholding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds	495	800	1,295	-	495	800	1,295	-	-
b) Alternative Investment Funds	12,13,372	-	12,13,372	2.23	11,97,386	-	11,97,386	2.20	(0.03)
c) Banks / Financial Institutions	93,153	1,050	94,203	0.17	57,339	1,050	58,389	0.11	(0.06)
d) Central Government(s)	-	-	-	-	-	-	-	-	-
e) State Government(s)	-	-	-	-	-	-	-	-	-
f) Venture Capital Funds	-	-	-	-	-	-	-	-	-
g) Insurance Companies	-	3,000	3,000	0.01	-	3,000	3,000	0.01	-
h) Foreign Institutional Investors	7,08,921	-	7,08,921	1.30	6,30,083	-	6,30,083	1.16	(0.14)
i) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
j) Any other (specify): Foreign Institutional Investors	-	250	250	-	-	250	250	-	-
<b>Sub-Total (B) (1)</b>	<b>20,15,941</b>	<b>5,100</b>	<b>20,21,041</b>	<b>3.71</b>	<b>18,85,303</b>	<b>5,100</b>	<b>18,90,403</b>	<b>3.47</b>	<b>(0.24)</b>
<b>(2) Non-institutions</b>									
<b>(a) Bodies Corporate</b>									
i) Indian	71,03,969	2,394	71,06,363	13.06	66,02,159	2,394	66,04,553	12.14	(0.92)
ii) Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals -</b>									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	59,32,717	4,50,043	63,82,760	11.73	68,13,950	4,10,837	72,24,787	13.28	1.55
ii) Individual shareholders holding nominal share capital in excess of ₹ 1 lakhs	39,83,225	-	39,83,225	7.32	36,11,768	-	36,11,768	6.64	(0.68)
<b>c) Any other (specify)</b>									
NBFC Registered with RBI	34,359	-	34,359	0.06	30,000	-	30,000	0.05	(0.01)
NRIs/OCB	3,44,182	5,027	3,49,209	0.64	3,81,468	5,027	3,86,495	0.71	0.07
Clearing Members	1,43,000	-	1,43,000	0.26	2,72,796	-	2,72,796	0.50	0.24
Trust	200	-	200	-	-	-	-	-	-
IEPF Account	1,65,073	-	1,65,073	0.30	1,64,428	-	1,64,428	0.30	-
<b>Sub-Total (B) (2)</b>	<b>1,77,06,725</b>	<b>4,57,464</b>	<b>1,81,64,189</b>	<b>33.38</b>	<b>1,78,76,569</b>	<b>4,18,258</b>	<b>1,82,94,827</b>	<b>33.63</b>	<b>0.24</b>
<b>Total Public Shareholding (B) = (B)(1)+(B)(2)</b>	<b>1,97,22,666</b>	<b>4,62,564</b>	<b>2,01,85,230</b>	<b>37.10</b>	<b>1,97,61,872</b>	<b>4,23,358</b>	<b>2,01,85,230</b>	<b>37.10</b>	<b>-</b>
<b>(C) Shares held by Custodians for GDRs &amp; ADRs</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>GRAND TOTAL (A)+(B)+(C)</b>	<b>5,39,46,410</b>	<b>4,62,564</b>	<b>5,44,08,974</b>	<b>100.00</b>	<b>5,39,85,616</b>	<b>4,23,358</b>	<b>5,44,08,974</b>	<b>100.00</b>	<b>-</b>

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

### (II) Shareholding of Promoters:

Sl. No.	Shareholders Name	Shareholding at the beginning of the year					Shareholding at the end of the year					% change in shareholding during the year
		Demat	Physical	Total No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	Demat	Physical	Total No. of shares	% of total shares of the company	% of shares pledged/encumbered to total shares	
1	Diwakar Marketing Private Limited	56,37,500	-	56,37,500	10.36	9.190	56,37,500	-	56,37,500	10.36	3.860	-
2	Cubitex Marketing Private Limited	48,61,000	-	48,61,000	8.93	-	48,61,000	-	48,61,000	8.93	-	-
3	Shreyansh Mercantile Private Limited	31,78,000	-	31,78,000	5.84	-	31,78,000	-	31,78,000	5.84	-	-
4	Sahaj Tie-up Private Limited	31,25,087	-	31,25,087	5.74	3.492	31,25,087	-	31,25,087	5.74	3.492	-
5	Dicord Commodeal Private Limited	22,65,610	-	22,65,610	4.16	-	22,65,610	-	22,65,610	4.16	-	-
6	Shirin Commodeal Pvt Limited	21,16,189	-	21,16,189	3.89	-	21,16,189	-	21,16,189	3.89	3.860	-
7	S M Vyapaar Private Limited	19,83,920	-	19,83,920	3.65	2.206	19,83,920	-	19,83,920	3.65	2.206	-
8	Goel Die Cast Limited	19,27,962	-	19,27,962	3.54	-	19,27,962	-	19,27,962	3.54	-	-
9	Jai Prakash Agarwal	17,61,723	-	17,61,723	3.24	0.004	17,61,723	-	17,61,723	3.24	0.004	-
10	Zatco Vyapar Private Limited	14,03,455	-	14,03,455	2.58	-	14,03,455	-	14,03,455	2.58	-	-
11	Sadabahr Tradecomm Private Limited	12,78,179	-	12,78,179	2.35	-	12,78,179	-	12,78,179	2.35	-	-
12	Jits Courier & Finance Private Limited	10,01,499	-	10,01,499	1.84	-	10,01,499	-	10,01,499	1.84	-	-
13	Pankaj Investments Limited	9,69,348	-	9,69,348	1.78	-	9,69,348	-	9,69,348	1.78	-	-
14	B M Graphics Private Limited	9,61,078	-	9,61,078	1.77	-	9,61,078	-	9,61,078	1.77	-	-
15	Gargiya Finance & Investment Private Limited	5,22,487	-	5,22,487	0.96	-	5,22,487	-	5,22,487	0.96	-	-
16	Viksit Trading & Holding Pvt Limited	2,37,346	-	2,37,346	0.44	-	2,37,346	-	2,37,346	0.44	-	-
17	Urmil Agarwal	2,10,431	-	2,10,431	0.39	-	2,10,431	-	2,10,431	0.39	-	-
18	Jaivardhan Surya U/G Vinay Surya	1,81,400	-	1,81,400	0.33	-	1,81,400	-	1,81,400	0.33	-	-
19	Parinistha Surya U/G Vinay Surya	1,81,300	-	1,81,300	0.33	-	1,81,300	-	1,81,300	0.33	-	-
20	Vasudha Surya	1,81,300	-	1,81,300	0.33	-	1,81,300	-	1,81,300	0.33	-	-
21	Vinay Surya	1,66,536	-	1,66,536	0.31	-	1,66,536	-	1,66,536	0.31	-	-
22	Lustre Merchants Private Limited	72,394	-	72,394	0.13	-	72,394	-	72,394	0.13	-	-
<b>TOTAL</b>		<b>3,42,23,744</b>	<b>-</b>	<b>3,42,23,744</b>	<b>62.901</b>	<b>14.891</b>	<b>3,42,23,744</b>	<b>-</b>	<b>3,42,23,744</b>	<b>62.901</b>	<b>13.422</b>	<b>-</b>



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

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

Sl. No	Name of the Promoter / Promoter Group	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (E.g allotment / transfer/bonus/ sweat equity etc.)			Cumulative Shareholding during the year (01-04-2018 to 31-03-2020)	
		No. of Shares at the beginning (01-04-2019) and end of the year (31-03-2020)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
<b>No Change / Movement During the Year</b>								
	<b>Total Promoter Holding as at 31-03-2020</b>	<b>3,42,23,744</b>	<b>62.901</b>	-	-		<b>3,42,23,744</b>	<b>62.901</b>

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

Sl. No.	Name of the top 10 shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer/ bonus/ sweat equity etc.)			Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01-04-2019) and end of the year (31-03-2020)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
1	Raxon Motor Finance Private Limited	15,36,959	2.825	1-Apr-19	-	-	15,36,959	2.825
		No Movement during the year						
		15,36,959	2.825	31-Mar-20	-	-	15,36,959	2.825
2	Henco Commercials Private Limited	12,89,076	2.369	1-Apr-19	-	-	12,89,076	2.369
				12-Apr-19	6,773	Transfer	12,95,849	2.382
				19-Apr-19	(6,764)	Transfer	12,89,085	2.369
				10-May-19	4,992	Transfer	12,94,077	2.378
				17-May-19	1,377	Transfer	12,95,454	2.381
				24-May-19	(6,411)	Transfer	12,89,043	2.369
				21-Jun-19	(64)	Transfer	12,88,979	2.369
				28-Jun-19	64	Transfer	12,89,043	2.369
				26-Jul-19	84,937	Transfer	13,73,980	2.525
				2-Aug-19	(2,500)	Transfer	13,71,480	2.521
				9-Aug-19	4,476	Transfer	13,75,956	2.529
				23-Aug-19	9,740	Transfer	13,85,696	2.547
				28-Aug-19	10	Transfer	13,85,706	2.547
				30-Aug-19	(2,750)	Transfer	13,82,956	2.542
				13-Sep-19	(7,000)	Transfer	13,75,956	2.529
				3-Jan-20	(20,000)	Transfer	13,55,956	2.492
				31-Jan-20	(1,591)	Transfer	13,54,365	2.489
		28-Feb-20	7,110	Transfer	13,61,475	2.502		
		6-Mar-20	1,669	Transfer	13,63,144	2.505		
		13-Mar-20	11,500	Transfer	13,74,644	2.527		
		20-Mar-20	70,683	Transfer	14,45,327	2.656		
		27-Mar-20	49,585	Transfer	14,94,912	2.748		
		31-Mar-20	1,500	Transfer	14,96,412	2.750		
		14,96,412	2.75	31-Mar-20	-	-	14,96,412	2.750
3	India Whizdom Fund	11,59,522	2.131	1-Apr-19	-	-	11,59,522	2.131
				18-Oct-19	(16,512)	Transfer	11,43,010	2.101
				25-Oct-19	(15,248)	Transfer	11,27,762	2.073
		11,27,762	2.073	31-Mar-20	-	-	11,27,762	2.073

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

Sl. No.	Name of the top 10 shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer/ bonus/ sweat equity etc.)			Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01-04-2019) and end of the year (31-03-2020)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
4	Bharat Taparia	5,63,375	1.035	1-Apr-19	-	-	5,63,375	1.035
				24-May-19	2,000	Transfer	5,65,375	1.039
				31-May-19	22,244	Transfer	5,87,619	1.08
				28-Jun-19	600	Transfer	5,88,219	1.081
				5-Jul-19	5,000	Transfer	5,93,219	1.09
				12-Jul-19	10,000	Transfer	6,03,219	1.109
				26-Jul-19	13,511	Transfer	6,16,730	1.134
				2-Aug-19	4,565	Transfer	6,21,295	1.142
				9-Aug-19	8,781	Transfer	6,30,076	1.158
				23-Aug-19	25,533	Transfer	6,55,609	1.205
				28-Aug-19	967	Transfer	6,56,576	1.207
				6-Sep-19	10,000	Transfer	6,66,576	1.225
				13-Sep-19	10,000	Transfer	6,76,576	1.244
				20-Sep-19	(10,000)	Transfer	6,66,576	1.225
				27-Sep-19	12,000	Transfer	6,78,576	1.247
				8-Nov-19	7,500	Transfer	6,86,076	1.261
				7-Feb-20	10,115	Transfer	6,96,191	1.28
		14-Feb-20	50,000	Transfer	7,46,191	1.371		
		20-Mar-20	25,000	Transfer	7,71,191	1.417		
		7,71,191	1.417	31-Mar-20	-	7,71,191	1.417	
5	Prajin Barter Private Limited	7,05,599	1.297	1-Apr-19	-	-	7,05,599	1.297
		No Movement during the year						
		7,05,599	1.297	31-Mar-20	-	-	7,05,599	1.297
6	VLS Finance Limited	6,46,642	1.188	1-Apr-19	-	-	6,46,642	1.188
				3-May-19	5,000	Transfer	6,51,642	1.198
				10-May-19	(12,100)	Transfer	6,39,542	1.175
				24-May-19	(29,500)	Transfer	6,10,042	1.121
				26-Jul-19	(2,004)	Transfer	6,08,038	1.118
				28-Aug-19	(6,250)	Transfer	6,01,788	1.106
				30-Aug-19	6,250	Transfer	6,08,038	1.118
				20-Dec-19	(1,788)	Transfer	6,06,250	1.114
				17-Jan-20	(20,100)	Transfer	5,86,150	1.077
				24-Jan-20	(18,300)	Transfer	5,67,850	1.044
				6-Mar-20	16,200	Transfer	5,84,050	1.073
		5,84,050	1.073	31-Mar-20		5,84,050	1.073	
7	Soyuz Trading Company Limited	4,68,862	0.862	1-Apr-19	-	-	4,68,862	0.862
		No Movement during the year						
		4,68,862	0.862	31-Mar-20	-	-	4,68,862	0.862
8	Vijaykumar Mangturam Khemani	4,64,500	0.854	1-Apr-19	-	-	4,64,500	0.854
		No Movement during the year						
		4,64,500	0.854	31-Mar-20	-	-	4,64,500	0.854
9	Vibgyor Investors and Developers Private Limited	4,00,000	0.735	1-Apr-19	-	-	4,00,000	0.735
		No Movement during the year						
		4,00,000	0.735	31-Mar-20	-	-	4,00,000	0.735

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

Sl. No.	Name of the top 10 shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the year specifying the reasons for increase / decrease (e.g allotment / transfer / bonus/ sweat equity etc.)			Cumulative Shareholding during the year (01-04-2019 to 31-03-2020)	
		No. of Shares at the beginning (01-04-2019) and end of the year (31-03-2020)	% of total shares of the company	Date	Increase / Decrease in shareholding	Reason	No. of Shares	% of total shares of the company
10	Mahesh Dinkar Vaze	4,40,000	0.809	1-Apr-19	-	-	4,40,000	0.809
				7-Jun-19	(10,000)	Transfer	4,30,000	0.79
				28-Jun-18	(12,049)	Transfer	4,17,951	0.768
				5-Jul-19	(12,951)	Transfer	4,05,000	0.744
				2-Aug-19	(15,000)	Transfer	3,90,000	0.717
				23-Aug-19	(15,000)	Transfer	3,75,000	0.689
				6-Sep-19	(5,000)	Transfer	3,70,000	0.68
				13-Sep-19	(10,000)	Transfer	3,60,000	0.662
				11-Oct-19	(5,000)	Transfer	3,55,000	0.652
				18-Oct-19	(7,900)	Transfer	3,47,100	0.638
				25-Oct-19	(2,100)	Transfer	3,45,000	0.634
				17-Jan-20	(23,000)	Transfer	3,22,000	0.592
				7-Feb-20	(2,000)	Transfer	3,20,000	0.588
				21-Feb-20	(5,000)	Transfer	3,15,000	0.579
		28-Feb-20	(5,000)	Transfer	3,10,000	0.57		
		3,10,000	0.57	28-Feb-20		Date of Separation	3,10,000	0.57
11*	Vikas Vijaykumar Khemani	3,11,192	0.572	1-Apr-19	-	-	3,11,192	0.572
		No Movement during the year						
		3,11,192	0.572	31-Mar-20	-	-	3,11,192	0.572

\* Not in the list of Top 10 shareholders as on 01-04-2019. The same has been reflected above since the shareholder was one of the Top 10 shareholders during the year ended 31st March, 2020.

### v) Shareholding of Directors and Key Managerial personnel

Sr. No.	Name of the Directors and KMP	Director Identification No. (DIN)	Shareholding at the beginning of the year as at 01.04.2019		Shareholding at the end of the year as at 31.03.2020		% change in shareholding during the year
			No. of Shares	% of total shares of the company	No. of shares held	% of total shares of the company	
<b>Directors</b>							
1	Jai Prakash Agarwal (Chairman & WTD)	00041119	17,61,723	3.238	17,61,723	3.238	-
2	Raju Bista (Managing Director)	01299297	-	-	-	-	-
3	Urmil Agarwal	00053809	2,10,431	0.387	2,10,431	0.387	-
4	Vinay Surya	00515803	1,66,536	0.306	1,66,536	0.306	-
5	Ravinder Kumar Narang	02318041	-	-	-	-	-
6	Krishan Kumar Narula	00098124	-	-	-	-	-
7	Tara Sankar Sudhir Bhattacharya	00157305	-	-	-	-	-
8	Sudhanshu Kumar Awasthi	02162923	-	-	-	-	-
9	Surendra Singh Khurana	02126149	50	0.000	50	0.000	-
10	Sunil Sikka	08063385	19,700	0.036	21,950	0.040	0.04
11	Kaustubh Narsinh Karmarkar	00288642	-	-	-	-	-
<b>Key Managerial Personnel (KMPs)</b>							
a	R N Maloo (ED & Group CFO)	-	-	-	9,400	0.017	0.017
b	Ramanjeet Singh (CEO- Lighting & Consumer Durables Segment)	-	-	-	-	-	-
c	Tarun Baldua (CEO- Steel Pipes & Strips Segment)	-	-	-	-	-	-
d	B B Singal (Sr. V.P & Company Secretary)	-	-	-	1,000	0.002	0.002

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

### V. INDEBTEDNESS

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

(₹ in crore)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	1,191.53	-	-	1,191.53
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	2.45	-	-	2.45
<b>Total (i+ ii+iii)</b>	<b>1,193.98</b>	<b>-</b>	<b>-</b>	<b>1,193.98</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	49.19	-	-	49.19
Reduction	152.44	-	-	152.44
<b>Net Change</b>	<b>(103.25)</b>	<b>-</b>	<b>-</b>	<b>(103.25)</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	1,090.36	-	-	1,090.36
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	0.37	-	-	0.37
<b>Total (i+ ii+iii)</b>	<b>1,090.73</b>	<b>-</b>	<b>-</b>	<b>1,090.73</b>

### VI. Remuneration of Directors and Key Managerial Personnel

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

(₹ in crore)

Sr. No.	Particulars of the Remuneration	Jai Prakash Agarwal	Raju Bista	Vinay Surya	Kaustubh N Karmarkar	Total Amount
1	<b>Gross Salary</b>	<b>Executive Chairman</b>	<b>Managing Director</b>	<b>Whole-time Director</b>	<b>Whole-time Director</b>	
	(a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	3.600	2.520	1.482	1.027	8.629
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	-
2	<b>Stock Option</b>	-	-	-	-	-
3	<b>Sweat Equity</b>	-	-	-	-	-
4	<b>Commission</b>					
	- as % of profit	2.090	1.394	-	-	3.484
	- others, specify	-	-	-	-	-
5	<b>Others (Employer's Share of Provident Fund)</b>	-	0.302	0.177	0.123	0.602
	<b>Total (A)</b>	<b>5.690</b>	<b>4.216</b>	<b>1.659</b>	<b>1.150</b>	<b>12.715</b>
	<b>Ceiling as per Act</b>					<b>13.94</b>

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

### B. Remuneration to Other Directors

Sr. No.	Particulars of the Remuneration	Name of Directors							Total Amount
		Krishan Kumar Narula	Ravinder Kumar Narang	Tara Sankar Bhattacharya	Sudhanshu Kumar Awasthi	Surendra Singh Khurana	Sunil Sikka	Urmil Agarwal	
3	<b>Independent Directors</b>	0.0745	0.0345	0.0205	0.0140	0.0440	0.0360	-	0.2238
	Fees for attending board / committee meetings								
	Commission	-	-	-	-	-	-	-	-
	Others	-	-	-	-	-	-	-	-
	<b>Total (1)</b>	<b>0.0745</b>	<b>0.0345</b>	<b>0.0205</b>	<b>0.0140</b>	<b>0.0440</b>	<b>0.0360</b>	-	<b>0.2238</b>
	<b>Other Non Executive Directors</b>	-	-	-	-	-	-	0.0150	0.0150
	Fees for attending board / committee meetings								
	Commission	-	-	-	-	-	-	-	-
	Others #	-	-	-	-	-	-	-	-
	<b>Total (2)</b>	-	-	-	-	-	-	<b>0.0150</b>	<b>0.0150</b>
	<b>Total (B) = (1+2)</b>	<b>0.0745</b>	<b>0.0345</b>	<b>0.0205</b>	<b>0.0140</b>	<b>0.0440</b>	<b>0.0360</b>	<b>0.0150</b>	<b>0.2388</b>
	<b>Total Managerial Remuneration (Sitting Fees)</b>								-
	<b>Overall Ceiling as per the Act</b>								<b>NIL</b>

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total
		R N Maloo	Ramanjit Singh	Tarun Baldua	B B Singal	
		ED & GCFO	CEO-Lighting & Consumer Durables Segment	CEO-Steel Pipes & Strips Segment	Sr. V.P & Company Secretary	
1	<b>Gross Salary</b>					
	(a) Salary as per the provisions contained in section 17(1) of the Income Tax Act, 1961	0.7773	1.0828	1.0748	0.4065	3.3414
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) Income Tax Act, 1961	-	-	-	-	-
2	<b>Stock Option</b>	-	-	-	-	-
3	<b>Sweat Equity</b>	-	-	-	-	-
4	<b>Commission</b>	-	-	-	-	-
	- as % of profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5	<b>Others (Employer's share of Provident Fund)</b>	0.0583	0.0795	0.0617	0.0215	0.2210
	<b>Total (C)</b>	<b>0.8356</b>	<b>1.1623</b>	<b>1.1365</b>	<b>0.4280</b>	<b>3.5624</b>

### VII. PENALTIES / PUNISHMENT / COMPOUNDING OF OFFENCES.

There are no penalties, punishment or compounding of offences during the year ended 31st March, 2020.

for and on behalf of the Board of Directors

Place: New Delhi  
Dated: 25th June, 2020

J P Agarwal  
Chairman  
DIN – 00041119

# ANNEXURE – III TO BOARD'S REPORT

## FORM NO. MR-3 SECRETARIAL AUDIT REPORT

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

TO

THE MEMBERS

**SURYA ROSHNI LIMITED**

**PRAKASH NAGAR, SANKHOL**

**BAHADURGARH, HARYANA-124507**

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorised representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 ("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, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the

extent of Foreign Direct Investment, Overseas Direct Investment and External commercial Borrowings;

- (v) The Following regulations and guidelines prescribed under the Securities and Exchange Board of India Act, 1992.

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011

- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 (**Not applicable to the Company during the Audit Period**);

- (d) The Securities and Exchange Board of India (Employee Share Based Employee Benefit) Regulations, 2014.

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 (**Not applicable to the Company during the Audit Period**); and

- (h) The Securities and Exchange Board of India (Buy back of Securities) Regulations, 2018 (Not applicable to the Company during the Audit Period).

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

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

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

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

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

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

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

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

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

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**For SGS ASSOCIATES  
Company Secretaries**

**Date: 25th June, 2020  
Place: - New Delhi**

**CS D.P. Gupta  
M N FCS 2411  
C P No. 1509  
UDIN :F002411B000378820**

# ANNEXURE – IV TO BOARD'S REPORT

Particulars of Energy Conservation, Technology Absorption and Foreign Exchange Earnings and Outgo as per Section 134(3) (m) read with Companies (Accounts) Rules 2014 and forming part of the Directors' Report for the year ended 31st March, 2020.

## 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 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.
- Saving of Power through Improving Power factor.

#### At Steel Pipe Unit - Hindupur:

- Optimisation of the mill to run at high speed will reduce energy consumption.
- Mill power factor of plant by Integrated APSFC Panels
- Shifting of Compressor at proper location resulted in power saving.
- Company gone through the audit of energy management system for conservation of energy.

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

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

#### At Malanpur Unit of Lighting Division:

- Saving of energy by replacement of old pumps with energy efficient pumps.
- Saving of energy by replacement of old Air ends of compressors.
- Saving of energy by reducing the pressure drop across the air dryer.
- Saving of energy by installation of air pressure boosters and reducing the air generating pressure.
- Saving of energy by installation of extra cooling line for furnace and by reducing open compressed air consumption.
- Reduction in Natural Gas consumption by 700 scm/day at new designed cap furnace with using waste heat recovery and automated firing system.

#### At Kashipur Unit of Lighting Division:

- Saving of energy is achieved on installation of induction heater in place of resistive heater in extruder line.
- Saving of energy by installing TIC in cooling tower of PVC plant & LED plant
- Saving of energy is achieved by replacement of 40 HP cooling blower motor to 25HP motor.
- Saving of energy is achieved on installation of VFD in Roots blower in compressor house for lamp plant.
- Saving of energy is achieved by installation of Ductable AC instead of conventional A.C in filament plant.

### 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.



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

### 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 ₹ 0.29 crore and Revenue Expenditure is ₹ 2.81 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 ₹ 836.53 crore

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

Used: 390.17 Earned: 836.53

for and on behalf of  
the Board of Directors

J P Agarwal  
Chairman

DIN – 00041119

Date: 25th June, 2020  
Place: New Delhi

## ANNEXURE – V TO BOARD'S REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITIES (CSR) ACTIVITIES FOR THE FINANCIAL YEAR 2019-2020

"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 eradicate hunger, poverty and malnutrition; Promoting health care; making available safe drinking water & Sanitation; Promoting education; enhancing vocational skills & livelihood enhancement projects; Women empowerment; Promoting of home and hostels for women and orphans;

Reducing inequality faced by socially and economically backward groups; Animal welfare /animal care; Promoting Art & Culture; Contribution to Prime Minister Relief Fund; Rural development projects; and addressing environmental issues. The detailed Corporate Social Responsibility Policy of the Company is available at the following link: [https://surya.co.in/sadmin/upload/143703\\_CSR\\_Policy.pdf](https://surya.co.in/sadmin/upload/143703_CSR_Policy.pdf)



#### COMPOSITION:

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

S. No.	Name	Category	Designation
1	Shri Jai Prakash Agarwal	Member	Chairman & Whole-time Director
2	Shri Raju Bista	Member	Managing Director
3	Shri Krishan Kumar Narula	Member	Independent Director
4	Shri Kaustubh Narsinh Karmarkar*	Member	Non-Independent Director

\*Inducted as a member by the Board of Directors at its meeting held on 2nd August, 2019

		(₹ in crore)
Average Net Profit of the Company for last three financial years	:	150.88
Prescribe Amount of CSR expenditure (2% of Average)	:	3.02
Details of CSR Spent during the financial year	:	3.02
Total Amount to be spent for the financial year	:	3.02
Amount unspent if any	:	Nil
Manner in which amount spent during the financial year	:	Detailed overleaf

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

Details of Amount Spent on CSR Activities during the Financial Year 2019-20 in respect of Surya Roshni Limite

(₹ in crore)							
(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency *
			<b>Local Areas and Others</b>				
1	ADARSH GRAM YOJNA (RURAL DEVELOPMENT)	PROMOTING EDUCATION & RURAL DEVELOPMENT & YOUTH DEVELOPMENT, PERSONALITY DEVELOPMENT & CHARACTER BUILDING OF YOUTH, IMPROVING THE LITERACY RATE, HELPING THEM IN DEVELOPMENT OF THEIR VILLAGE, PROMOTE RURAL SPORTS ETC	<b>HARYANA-</b> BAHADURGARH (JHAJJAR), SONIPAT, HISSAR, FATEHABAD, JIND <b>UTTRAKHAND-</b> DEHRADUN, KASHIPUR (UDHAM SINGH NAGAR) <b>MADHYA PRADESH-</b> MALANPUR (BHIND), RISEN, VIDISHA, INDORE, SHIVPURI, SIHORE <b>GUJARAT-</b> BHUJ (KUTCH) ARAVALI, <b>MANIPUR-</b> BISHNUPUR, IMPHAL, KAKCHING KANGPOKPI <b>RAJASTHAN-</b> BIKANER, JAIPUR, JODHPUR, NAGAU <b>MAHARASHTRA-</b> NAGPUR, RAIGARH, AMRAVATI , AHMEDNAGAR, GADCHIROLI, KHANTESHWAR <b>CHATTISGARH-</b> , KAWARDHA, RAIPUR, DAKSHATA VARG CAMP AT PENDRI (RAJNANDGAON) <b>DELHI-</b> PUNJABI BAGH, PASCHIM VIHAR <b>ANDHRA PRADESH-</b> HINDUPUR (ANANTPUR) <b>WEST BANGAL-</b> SILLIGURI , DARJEELING KALIMPONG, U. DINAJPUR <b>BIHAR-</b> EAST CHAMPARAN <b>KARNATAKA-</b> BIDAR <b>ORISSA-</b> GANJAM, SUNDAR GADA, KALAHANDI, PURI DEOGARH, BALESWAR, BHUBANESWAR, KHORDA BALASOR <b>JHARKHAND-</b> KHUNTI, RAMGARH RANCHI, JAMSEDPUR, HAZARIBAGH	2.64	2.64	2.64	Implementing Agency- SURYA FOUNDATION

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

(₹ in crore)

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified.	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay (budget) project or programs wise	Amount spent on the projects or Programs Sub-heads: (1) Direct expenditure on projects or programs. (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency *
			TRIPURA- TRIPURA WEST ASSAM- KAMRUPMETRO, KAMRUP RURAL, BISWANATH, MANULI ARUNACHAL PRADESH- WEST KAMING UTTAR PRADESH- AMETHAI, BAREILLY FATEHPUR, GAUTAM BUDH NAGAR, HARDOI, GORAKHPUR, HAMIRPUR,, MATHURA LAKHIMPUR, LUCKNOW, MEERUT, PILIBHEET MURADABAD, SAMLI VARANASI, HATRAS KAUSHMBI, KANPUR BARABANKI, BHADOI, ALIGARH				
2.	NATUROPATHY EXPENSES	PROMOTING PREVENTIVE HEALTH CARE, PROMOTE YOGA	NATUROPATHY WORKSHOP & INTERNATIONAL DAY OF YOGA DELHI	0.23	0.23	0.23	Implementing Agency-SURYA FOUNDATION
3.	OTHER ADMINISTRATION EXPENSES		DELHI	0.15	0.15	0.15	Implementing Agency-SURYA FOUNDATION
<b>Total</b>				<b>3.02</b>	<b>3.02</b>	<b>3.02</b>	

2. Company had spent during the year the an amount of ₹ 3.02 crore on corporate social activities being not less than 2% of the average net profits of the Company made during the three immediately preceding financial years as required under the provisions of section 135(5) of the Companies Act, 2013. No amount was left unspent during the year under review on corporate social responsibility activities.

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

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

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

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

for and on behalf of the Board of Directors  
**J P AGARWAL**  
CHAIRMAN  
DIN – 00041119

Place: New Delhi  
Dated: 25th June, 2020

## ANNEXURE – VI TO BOARD'S REPORT

### FORM NO. AOC - 2

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

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

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

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

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

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

Place : New Delhi  
Date: 25th June, 2020

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

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

### 1. CORPORATE GOVERNANCE PHILOSOPHY

The ethical values is the foundation of Company's governance philosophy which over the past 47 years of the Company's existence has become a part of its culture. Company's commitment towards adoption of best corporate governance practices goes beyond compliance of the law and endeavors to embrace responsibility for corporate actions and impact of its initiatives on all stakeholders. A Report on compliance with the Corporate Governance provisions as prescribed under Chapter IV read with Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015 referred to as "Listing Regulations" is given below:

### 2. BOARD OF DIRECTORS

#### a. Composition and Category of Directors as on 31st March, 2020

The Board consists of 11 Directors as on 31st March, 2020. The composition of the Board is in conformity with Regulation 17 read with clause C(2) (a) of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The day to day management of the Company was carried by 4 Executive – Non Independent Directors. Chairman is an Executive Director and the number of Independent

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

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

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

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

Name of the Directors	Director Identification No. (DIN)	Category of Directors
Sh. Jai Prakash Agarwal (Executive Chairman)	00041119	Promoter ; Executive ; Non-Independent
Sh Raju Bista (Managing Director)	01299297	Executive ; Non-Independent
Smt. Urmil Agarwal	00053809	Non-Executive ; Non-Independent
Shri Vinay Surya	00515803	Executive ; Non-Independent
Sh. Krishan Kumar Narula	00098124	Non-Executive – Independent
Sh. Ravinder Kumar Narang	02318041	Non-Executive Independent
Sh. Tara Sankar Sudhir Bhattacharya	00157305	Non-Executive Independent
Sh. Sudhanshu Kumar Awasthi	02162923	Non-Executive Independent
Sh. Surendra Singh Khurana	02126149	Non-Executive Independent
Sh. Sunil Sikka	08063385	Non-Executive ; Independent
Sh. Kaustubh Narsinh Karmarkar	00288642	Executive ; Non-Independent

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

### b. Attendance of each Director at Board Meetings held during the year 2019-20 and last AGM

The names of the Directors on the Board and their attendance at Board meetings during the year 2019-20 and at the last AGM are as under:

Name of the Director	Director Identification No. (DIN)	No. of Board Meetings attended during 2019-20	Last AGM attendance As on 04.09.2019
Sh. Jai Prakash Agarwal (Executive Chairman )	00041119	4	NO
Sh Raju Bista (Managing Director)	01299297	4	YES
Smt. Urmil Agarwal	00053809	3	NO
Shri Vinay Surya	00515803	3	NO
Sh. Krishan Kumar Narula	00098124	4	YES
Sh. Ravinder Kumar Narang	02318041	3	NO
Sh. Tara Sankar Sudhir Bhattacharya	00157305	2	NO
Sh. Sudhanshu Kumar Awasthi	02162923	2	NO
Sh. Surendra Singh Khurana	02126149	4	NO
Sh. Sunil Sikka	08063385	4	NO
Sh. Kaustubh Narsinh Karmarkar	00288642	3	NO

### Information supplied to the Board

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

In terms of quality and importance, the information supplied by the Management to the Board of the Company is far ahead of the list mandated under regulation 17(7) read with Part A of Schedule II to the SEBI Listing Regulations, 2015. As stated elsewhere, the independent directors of the Company at their meeting held on 4th March, 2020 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, 2020

The names of the Directors and the details of chairmanship / directorships and committee memberships of each director in other companies as on 31st March, 2020 is given below:

Name of the Director	Director Identification No. (DIN)	No. of Directorships held in other companies		No. of committee positions held in other companies		Name of the Listed Entity where the person is a Director and category of Directorship	
		Chairman	Director	Chairman	Member	Listed Entity	Category
Sh. Jai Prakash Agarwal (Executive Chairman )	00041119	-	-	-	-		
Sh Raju Bista (Managing Director)	01299297	-	-	-	-		
Smt. Urmil Agarwal	00053809	-	1	-	-		
Shri Vinay Surya	00515803	-	4	-	-		
Sh. Krishan Kumar Narula	00098124	-	1	1	-		
Sh. Ravinder Kumar Narang	02318041	-	-	-	-		

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

Name of the Director	Director Identification No. (DIN)	No. of Directorships held in other companies		No. of committee positions held in other companies		Name of the Listed Entity where the person is a Director and category of Directorship	
		Chairman	Director	Chairman	Member	Listed Entity	Category
Sh. Tara Sankar Sudhir Bhattacharya	00157305	-	6	-	4	1. Uflex Limited 2. Arshiya Limited 3. Nandan Denim Limited.	Independent Non-Executive
Sh. Sudhanshu Kumar Awasthi	02162923	-	1	1	-	-	
Sh. Surendra Singh Khurana	02126149	-	-	-	-	-	
Sh. Sunil Sikka	08063385	-	1	-	-	-	
Sh. Kaustubh Narsinh Karmarkar	00288642	-	1	-	-	-	

### None of the –

- Directors of the Company holds directorship in more than 8 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.
- 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

### d. No. of Board Meetings held in the financial year 2019-2020 and dates on which held

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

During the last financial year, Board met four times, on 21th May, 2019; 2nd August, 2019; 14th November, 2019 and 12th February, 2020.

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

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

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

No shares or convertible instrument are held by any Non- Executive Director(s) of the Company during the Financial Year 2019-20 except Sh. Sunil Sikka who is holding 21,950 equity shares and Shri Surendra Singh Khurana who is holding 50 shares as on 31st March, 2020.

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

A familiarisation programme for Independent Directors was organised during the year to make them update on the recent amendments in the provisions of the SEBI and Corporate Laws. A detailed familiarisation programme was presented by representative of Corporate Professional, leading firm of Corporate Law Consultants of the recent amendments on the Companies Act, 2013 and relevant SEBI Regulations, National Financial Reporting Authority (NERA) Rules, On-line proficiency self – assessment test for Independent Directors which was keenly participated by every Director on the Board of the Company and express happiness over the same. The detailed familiarisation programme for Directors was uploaded on the website of the company at the following link: [https://surya.co.in/sadmin/upload/144212\\_Recent\\_Amendments.pdf](https://surya.co.in/sadmin/upload/144212_Recent_Amendments.pdf)





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

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

Company Businesses /Segments	Core skills / expertise / competencies identified in the context of business(es) and sector(s)	Skills available with the Board
Steel Pipes & Strips Segment & Lighting & Consumer Durables Segment	<p>Company is the largest exporter of ERW Pipes and largest manufacturer of ERW GI pipes in India under <b>Brand "PRAKASH SURYA" and 2nd Largest in Lighting – Marketing under brand "SURYA"</b>.</p> <p>Company with strong foothold in energy efficient lighting is moving towards Smart LED Lighting. This technology is transforming from a novelty to an indispensable daily companion through smart control devices. These devices utilise wireless controls for dimming, colour changing and can be managed from anywhere. Together with advanced sensors, smart cameras and other device these smart lighting devices constitute an ecosystem which can enrich the lives of modern consumers who can command and control these devices 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. <b>Shri Tara Sankar Bhattacharya</b> (an ex M.D of State Bank of India), <b>Shri Krishan Kumar Narula</b> (retired as an ex-CGM – SBI), <b>Sudhanshu Kumar Awasthi</b> (ex- GM of PNB), possessed <b>banking, administrative, logistic expertise and in particular:</b></p> <p><b>Shri Surendra Singh Khurana</b> (an ex-Chairman of Railway Board and ex-officio Principal Secretary of GOI),</p> <p><b>Shri Sunil Sikka, 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.</b></p> <p><b>Shri Ravinder Kumar Narang an Independent Director of the Company and an Ex-Chairman of IOCL possess vast experience in the field of Oil &amp; Gas Sector, Operations, Project Development &amp; Marketing Network.</b></p>

### i. Confirmation by the Board

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

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

No Independent Director had resigned from the Board of the Company during the financial year ended 31st March, 2020.

## 3. AUDIT COMMITTEE

### i. Terms of Reference

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

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

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.

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

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

### ii. Composition / Category / name of members and chairperson

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

Names of the Members	Director Identification No.	Category
Sh. Krishan Kumar Narula	00098124	Chairman; Independent – Director
Sh. Tara Sankar Sudhir Bhattacharya	00157305	Member; Independent – Director
Sh. Surendra Singh Khurana	02126149	Member; Independent – Director

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

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

During the financial year 2019-20, Audit Committee meetings were held on 21st May, 2019; 2nd August, 2019; 14th November, 2019 and 12th February, 2020. The names along with categories of the members and the attendance of members at the meeting was as follows:

Names of the Members	Director Identification No.	Category	No. of Meetings Attended
Sh. Krishan Kumar Narula	00098124	Chairman; Independent – Director	4
Sh. Tara Sankar Sudhir Bhattacharya	00157305	Member; Independent – Director	2
Sh. Surendra Singh Khurana	02126149	Member; Independent – Director	4

## 4. NOMINATION AND REMUNERATION COMMITTEE

### i. Terms of Reference

The Nomination and Remuneration Committee is responsible for

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

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

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

### ii. Composition / name of members and chairperson

The composition of the Committee is as follows:

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

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

### iii. Meetings and Attendance during the year

During the financial year 2019-20, three meetings was held on 29th April, 2019; 24th July, 2019 and 12th February, 2020. The attendance of the members at the meeting was as follows:

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

### iv. Performance evaluation criteria for Independent Directors

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

1. help in bringing an independent judgment to bear on the Board's deliberations especially on issues of strategy, performance, risk management, resources, key appointments and standards of conduct;
2. bring an objective view in the evaluation of the performance of board and management;
3. scrutinise the performance of management in meeting agreed goals and objectives and monitor the reporting of performance;
4. satisfy themselves on the integrity of financial information and that financial controls and the systems of risk management are robust and defensible;
5. safeguard the interests of all stakeholders, particularly the minority shareholders;
6. balance the conflicting interest of the stakeholders;
7. determine appropriate levels of remuneration of executive directors, key managerial personnel and senior management and have a prime role in appointing and where necessary recommend removal of executive directors, key managerial personnel and senior management;
8. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
9. undertake appropriate induction and regularly update and refresh their skills, knowledge and familiarity with the Company;
10. seek appropriate clarification or amplification of information and, where necessary, take and follow appropriate professional advice and opinion of outside experts at the expense of the Company;
11. strive to attend all meetings of the Board of Directors and of the Board committees of which he is a member;
12. participate constructively and actively in the committees of the Board in which they are chairpersons or members;
13. strive to attend the general meetings of the Company;
14. where they have concerns about the running of the company or a proposed action, ensure that these are addressed by the Board and, to the extent that they are not resolved, insist that their concerns are recorded in the minutes of the Board meeting;

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

15. keep themselves well informed about the company and the external environment in which it operates;
16. not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
17. pay sufficient attention and ensure that adequate deliberations are held before approving related party transactions and assure themselves that the same are in the interest of the Company;
18. ascertain and ensure that the company has an adequate and functional vigil mechanism and to ensure that the interests of a person who uses such mechanism are not prejudicially affected on account of such use;
19. report concerns about unethical behaviour, actual or suspected fraud or violation of the Company's code of conduct or ethics policy;
20. not disclose confidential information, including commercial secrets, technologies, advertising and sales promotion plans, unpublished price sensitive information, unless such disclosure is expressly approved by the Board or required by law.

and based on the structured questionnaire as tabulated below to rate on a scale of 1 to 5 by every director of the Company in accordance with their respective functions and duties and accordingly submit its report to the Chairman of the Company.

Sl. No	Topics and Statements	Rating (on a scale of 1-5, 5 is highest)
1	Attends and participate in Board and Committee meetings regularly.	
2	Prepares adequately/or add values on the Agenda for the Board/Committee Meetings.	
3	Has a good understanding of the organisation's strategy and risk environment.	
4	Participate in meetings in an open and constructive manner.	
5	Brings his / her experience and credibility to bear on the critical areas of the performance of the organisation.	
6	Represents the interests of shareholders and focuses on enhancing shareholder value.	
7	Gives fair chance to other members to contribute, participate actively in the discussion and is consensus oriented.	
8	Provide Feedback and guidance to top management on areas of business strategy, governance and risk.	
9	Sufficiently Challenges management to set and achieve stretch goals.	
10	Maintain effective and successful relationship with fellow Board members and senior management.	

The Nomination and Remuneration Committee Chairman Shri Krishan Kumar Narula was present in the Annual General Meeting of the Company held on 4th September, 2019.

### PERFORMANCE EVALUATION:

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

Under the law, as per the report of performance evaluation, the Board shall determine, inter alia, whether to continue the term of appointment including decision on re-appointment of the independent director(s). During the year under review, the Board of the Company based on the recommendation of the Nomination and Remuneration Committee and in compliance of SEBI (Listing Obligations and Disclosure Requirements) 2015 read with SEBI (Listing Obligations and

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

Disclosure Requirements) (Amendment) Regulations, 2018 proposed the name(s) of Shri Ravinder Kumar Narang having DIN -02318041, Shri Krishan Kumar Narula having DIN -00098124, Shri Sudhanshu Kumr Awasthi (DIN – 02162923) to be re-appointed for a second term of three consecutive years w.e.f 5th September, 2019 to 4th September, 2022 and Shri Tara Sankar Sudhir Bhattacharya (DIN – 00157305) and Shri Surendra Singh Khurana (DIN – 02126149) to be re-appointed for a second term of five consecutive years w.e.f 5th September, 2019 to 4th September, 2024 and which was subsequently approved by the shareholders at the Annual general Meeting held on 4th September, 2019 through Special Resolution.

### 5. DETAILS OF REMUNERATION TO ALL DIRECTORS

#### a. Pecuniary Relationships:

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

#### b. The details of remuneration / sitting fees paid to the Executive Directors / Non Executive Directors during the financial year 2019-2020 are as under:

(₹ in crore)						
Name	Director Identification No. (DIN)	Salary	Perquisites & Allowances	Commission	Bonuses, Stock Options, Pensions	Sitting Fees (excluding GST)
Sh. J P Agarwal (Executive Chairman)	00041119	3.600	Nil	2.090	Nil	N.A.
Sh. Raju Bista (Managing Director)	01299297	2.822	Nil	1.394	Nil	N.A.
Sh. Vinay Surya (Whole-time Director)	00515803	1.659	Nil	Nil	Nil	N. A
Sh. Kaustubh Narsinh Karmarkar (Whole-time Director)	00288642	1.150	Nil	Nil	Nil	N. A
Smt. Urmil Agarwal	00053809	Nil	Nil	Nil	Nil	0.0150
Sh. Krishan.Kumar.Narula	00098124	Nil	Nil	Nil	Nil	0.0745
Sh. Ravinder Kumar Narang	02318041	Nil	Nil	Nil	Nil	0.0345
Sh. TaraSankarSudhir Bhattacharya	00157305	Nil	Nil	Nil	Nil	0.0205
Sh. Sudhanshu Kumar Awasthi	02162923	Nil	Nil	Nil	Nil	0.0140
Sh. Surendra Singh Khurana	02126149	Nil	Nil	Nil	Nil	0.0440
Sh. Sunil Sikka	08063385	Nil	Nil	Nil	Nil	0.0360

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

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

Number of Shares held by Non-Executive Directors: Shri Sunil Sikka holds 21,950 equity shares and Shri Surendra Singh Khurana is holding 50 shares as on 31st March, 2020.

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

### 6. STAKEHOLDER'S RELATIONSHIP COMMITTEE

#### a) Composition / name of members and chairperson

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

The Committee met 4 times during the year on 29.04.2019, 24.07.2019, 25.10.2019 and 30.01.2020, and the attendance of Members at the Meeting was as follows:

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

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

b) Name & Designation of Compliance	:	Sh. B.B.Singal (Sr.V.P & Company Secretary)	03
c) Number of shareholders' complaints received upto 31st March, 2020	:		03
d) Number of complaints not solved to the satisfaction of the shareholders:	:		Nil
e) Number of pending complaints	:		Nil

### 7. GENERAL BODY MEETINGS

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

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

29.12.2017 ; 28.09.2018 ; 04.09.2019

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

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

One Special Resolution were passed in the Annual General Meeting held on 29th December, 2017, twelve Special Resolution were passed in the AGM held on 28th September, 2018 and seven Special Resolution were passed in the AGM held on 4th September, 2019.

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

No resolution was passed through postal ballot last year

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

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

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

### 8. MEANS OF COMMUNICATION

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

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

### 9. GENERAL SHAREHOLDER INFORMATION

- a) **AGM : Date and Time** : 23rd September, 2020 at 11:00 a.m.  
**Mode** : Through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) as set out in the Notice convening the Annual General Meeting.
- b) **Financial Year** : 1st April to 31st March
- c) **Dividend payment date** : 28th September, 2020 for electronic transfer to the shareholders who have furnished bank account details to the Company / its Registrar. Physical warrants / bankers cheque shall be dispatched to the shareholders, who have not registered their ECS mandates.
- d) **Listing on Stock Exchanges** : The securities of the Company were listed on the following Stock Exchanges during the financial year 2019-20:
- |   |   |
|---|---|
| <p><b>The Stock Exchange, Mumbai</b><br/>                 Rotunda Building, Dalal Street,<br/>                 Fort, Mumbai – 400 001</p> | <p><b>The National Stock Exchange of India Ltd</b><br/>                 Exchange Plaza, Bandra- Kurla<br/>                 Complex, Bandra, Mumbai – 400 051.</p> |
|---|---|

The Company has paid the Annual Listing Fees to the Stock Exchanges for the Financial Year 2019-20 and 2020-21

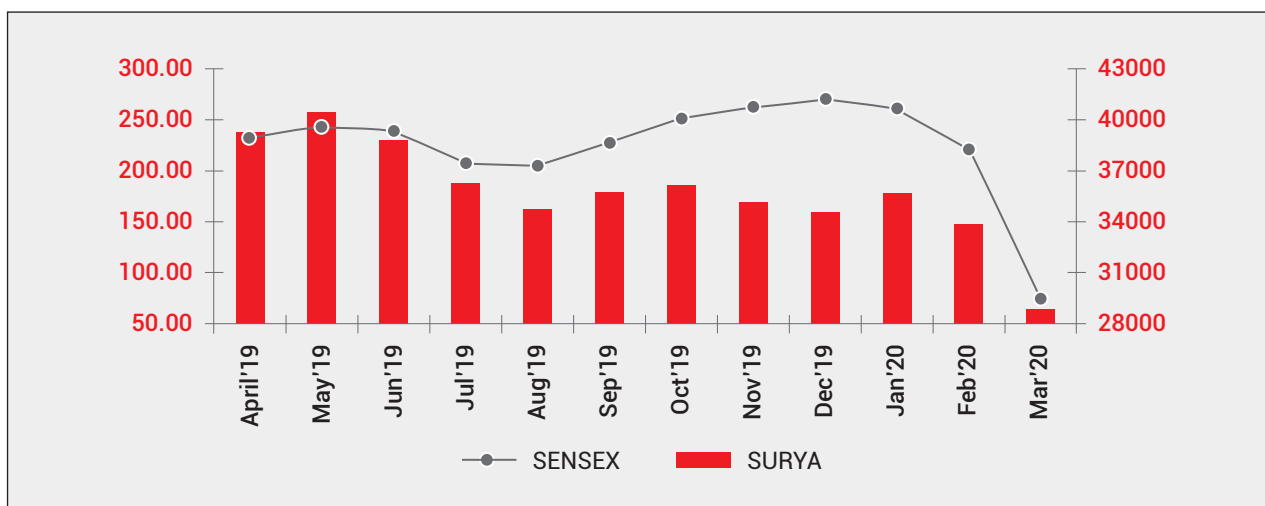
#### e. Stock Code

	National Stock Exchange (NSE)	The Stock Exchange Mumbai (BSE)	ISIN
Equity Shares- Symbol / Code	SURYAROSNI	500336	INE335A01012

#### f) Market Price Data:

MONTH	NSE		BSE	
	HIGH (₹)	LOW (₹)	HIGH (₹)	LOW (₹)
April, 2019	262.95	232.00	262.20	232.20
May, 2019	264.90	215.00	266.55	211.00
June, 2019	257.50	227.30	261.00	227.80
July, 2019	233.00	184.45	231.50	184.15
August, 2019	193.80	152.00	193.75	151.00
September, 2019	202.40	149.60	202.25	150.20
October, 2019	187.75	160.00	188.00	159.60
November, 2019	192.80	161.00	192.35	163.55
December, 2019	169.45	151.00	169.40	151.10
January, 2020	196.90	156.10	196.95	156.15
February, 2020	182.40	145.65	181.95	145.65
March, 2020	160.85	61.95	160.10	61.70

#### g) Performance in comparison to BSE SENSEX



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

- h) Suspension of trading during the year (if any) : **NIL**
- i) Registrar : **MAS Services Limited**  
 (Common for both Physical and Electronic share registry) T-34, 2nd Floor, Okhla Industrial Area, Phase – II, New Delhi – 110 020  
 Tel. : (011) 2638 7281/ 82 / 83  
 Fax : (011) 2638 7384  
 E-Mail : info@masserv.com

j) **Share Transfer System**

The Company's share system are handled by MAS Services Limited., Registrar and Transfer Agents (RTA). The share certificates received in physical mode (if any), sub-division, consolidation, renewal, exchange or endorsement of calls/allotment monies are processed expeditiously within the time limit, provided the documents are complete and are not under dispute. Confirmation in respect of the request for dematerialisation of shares is sent to the respective depositories – National Securities Depository Limited / Central Depository Services (India) Limited within 15 days. None of the transfer was pending for more than a fortnight as on 31st March, 2020.

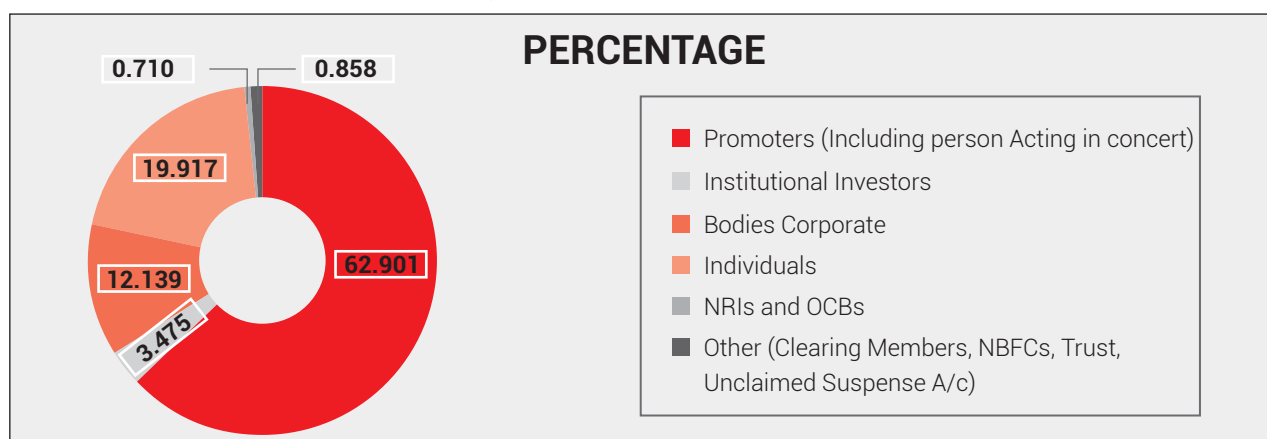
k) **Distribution of Shareholding**

Share Holding of Nominal Value of. ₹	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 -5000	21821	87.058	26,36,966	4.846
5001 - 10000	1717	6.850	13,03,146	2.395
10001- 20000	803	3.204	11,67,105	2.145
20001- 30000	251	1.001	6,29,856	1.158
30001- 40000	113	0.451	4,07,330	0.749
40001-50000	85	0.339	3,98,488	0.732
50001- 100000	129	0.515	9,37,334	1.723
100001 & Above	146	0.582	4,69,28,749	86.252
<b>TOTAL</b>	<b>25065</b>	<b>100.000</b>	<b>5,44,08,974</b>	<b>100.000</b>

**Shareholding Pattern as at 31.03.2020**

CATEGORY	No. of Shares held	% age of Paid-up Capital
Promoters (including Persons Acting in Concert)	3,42,23,744	62.901
Institutional Investors	18,90,403	3.475
Bodies Corporate	66,04,553	12.139
Individuals	108,36,555	19.917
NRIs and OCBs	3,86,495	0.710
Others - Clearing Members	2,72,796	0.501
NBFCs Registered with RBI	30,000	0.055
IEPF A/c	1,64,428	0.302
<b>TOTAL</b>	<b>5,44,08,974</b>	<b>100.00</b>

**Graphical Representation of the Shareholding**





## ANNEXURE – VII 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, 2020, 5,39,85,616 equity shares, being 99.22% of the Company's total paid-up equity shares had been dematerialised. The shares of the Company are regularly traded at the NSE and BSE.
- m) **Outstanding GDRs /ADRs /Warrants or any Convertible instruments, conversion date & likely impact on equity** : Nil
- n) **Commodity price risk or Foreign Exchange risk and hedging activities** : Please refer to Management Discussion and Analysis Report for the same.
- o) **Plant Locations**
- |                                       |   |
|---------------------------------------|---|
| <b>Steel Pipes &amp; strips Units</b> | : ▶ Prakash Nagar, Sankhol, Bahadurgarh, Haryana – 124 507<br>▶ Plot No.P-1 to P-20, Ghirongi Industrial Area Malanpur Dist. Bhind (M.P)<br>▶ Golapuram Industrial Area, Hindupur, Dist. Anantpur (A.P.)<br>▶ Survey No.188,189 & 190/1 Village-Bhuvad Taluka – Anjar, Dist.-Kutch Anjar – (Bhuj) Gujarat -370130 |
| <b>Lighting Units</b>                 | : ▶ 7 km Stone, Kashipur-Moradabad Road, Kashipur – 244 713 (Uttarakhand)<br>▶ Plot No. 9-13, Balaji Industrial Estate Mahuakherganj, Kashipur, District U.S. Nagar, Uttarakhand<br>▶ J-7,8 & 9, Malanpur Industrial Area, Malanpur, Distt. Bhind (M.P).  |
- p) **Address for correspondence** : **SR. V.P & Company Secretary**  
Surya Roshni Limited Padma Tower –I, 5 Rajendra Place, New Delhi – 110 008.  
Tel. - (011) 47108000  
Fax - (011) 25789560  
E-Mail - cs@surya.in  
investorgrievances@sroshni.com
- q) **Credit Ratings obtained along with any revision thereto for all debt instruments.** : **CARE A1 for Short term Bank Facilities**  
**CARE A+ for Long term Bank Facilities**  
**CARE A1+ (CE) for Commercial Papers**

### 10. OTHER DISCLOSURES

- a) The senior management has made disclosures to the board relating to all material financial and commercial transactions. There are no materially significant related party transactions that may have potential conflict with the interest of the Company at large. The Company has formulated a policy on dealing with the Related Party transactions for determining the Material Related Party Transactions and necessary approval of the Audit Committee and the Board of Directors were taken whenever required in accordance with the policy.
- b) The Company has complied with all applicable requirements prescribed by the regulatory and statutory authorities including Stock Exchanges and SEBI during the preceding three financial years on all matters related to capital market and no penalties / strictures in this respect have been imposed on the Company.
- c) Personnel of the Company have direct access to the management as the Company has established Vigil Mechanism for directors and employees to report concerns about unethical behaviour , actual fraud or suspected fraud or violation of the Company's code of conduct or ethics policy. No personnel has been denied access to the Audit Committee. The Whistle Blower Policy was duly posted on the Website of the Company at the following link: [https://surya.co.in/sadmin/upload/162928\\_whistle-blower-policy.pdf](https://surya.co.in/sadmin/upload/162928_whistle-blower-policy.pdf)



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

- 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/sadmin/upload/144606\\_Policy-for-Determining-Material-Subsidiary.pdf](https://surya.co.in/sadmin/upload/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 in the website at the following link : [https://surya.co.in/sadmin/upload/143834\\_Related\\_Party\\_Transaction\\_Policy.pdf](https://surya.co.in/sadmin/upload/143834_Related_Party_Transaction_Policy.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 09th June, 2020 confirmed that none of the Directors of the Company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board / Ministry of Corporate Affairs or any other Statutory Authorities.
- j) **Acceptance of Recommendations of the Board Committees:** No recommendations or submissions of any committee as constituted by the Board which is mandatorily required has been turned down by the Board of Directors during the financial year 2019-20.
- k) **Total Fees paid to Statutory Auditor for services rendered during the financial year 2019-20:** The total fees of ₹ 19,00,000/- 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 2019-20 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, 2020           | : | Nil |
| b) Number of complaints disposed of during the financial year    | : | Nil |
| c) Number of complaints Pending at the end of the financial year | : | Nil |

### 11. COMPLIANCES OF CORPORATE GOVERNANCE REQUIREMENTS

Company has complied all the mandatory requirements of Corporate Governance Report as envisaged in sub-paras (2) to (10) of Part C of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2019-20.

### 12. ADOPTION OF CORPORATE GOVERNANCE DISCRETIONARY REQUIREMENTS

Company has adopted the following Discretionary Requirements of Corporate Governance as specified in Part E of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2019-20.

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

### 13. Disclosures of Compliances of Corporate Governance Requirements

Company has complied all the mandatory requirements of Corporate Governance Report (tabulated below) as specified in Regulation 17 to 27, Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 during the financial year 2019-20.

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

### I. Disclosure of Website in terms of Listing Regulations

Items	Compliance status (Yes /No / N.A)
Details of Business	Yes
Terms and conditions of appointment of independent directors	Yes
Composition of various committees of board of directors	Yes
Code of conduct of board of directors and senior management personnel	Yes
Details of establishment of vigil mechanism/ Whistle Blower policy	Yes
Criteria of making payments to non-executive directors	Yes
Policy on dealing with related party transactions	Yes
Policy for determining 'material' subsidiaries	Yes
Details of familiarisation programmes imparted to independent directors	Yes
Contact information of the designated officials who are responsible for assisting and handling Investor grievances	Yes
Email address for grievance redressal and other relevant details	Yes
Financial results	Yes
Shareholding Pattern	Yes
Details of agreements entered into with the media companies and or their associates	Not Applicable
Schedule of analyst or institutional investor meet and presentations made by the listed entity to analysts or institutional investors simultaneously with submission to stock exchange.	Yes
New name and the old name of the Company	Not Applicable
Advertisements as per regulation 47 (1)	Yes
Credit rating or revision in credit rating obtained	Yes
Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year	Not Applicable
Whether company has provided information under separate section on its website as per Regulation 46(2)	Yes
Materiality Policy as per Regulation 30	Yes
Dividend Distribution policy as per Regulation 43A (as applicable)	Not Applicable

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b) & 25(6)	Yes
Board composition	17(1)	Yes
Meeting of Board of directors	17(2)	Yes
Review of Compliance Reports	17(3)	Yes
Plans for orderly succession for appointments	17(4)	Yes
Code of Conduct	17(5)	Yes
Fees/compensation	17(6)	Yes
Minimum Information	17(7)	Yes
Compliance Certificate	17(8)	Yes
Risk Assessment & Management	17(9)	Yes
Performance Evaluation of Independent Directors	17(10)	Yes
Recommendation of Board	17(11)	Yes
Maximum number of Directorships	17A	Yes
Composition of Audit Committee	18(1)	Yes
Meeting of Audit Committee	18(2)	Yes
Composition of nomination & remuneration committee	19(1) & (2)	Yes
Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
Meeting of Nomination and Remuneration Committee	19(3A)	Yes

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

Particulars	Regulation Number	Compliance status (Yes/No/NA)
Composition of Stakeholder Relationship Committee	20(1), 20(2) & 20(2A)	Yes
Meeting of Stakeholder Relationship Committee	20(3A)	Yes
Composition & role of risk management committee	21(1), (2), (3) & (4)	Not Applicable
Meeting of Risk Management Committee	21(3A)	Not Applicable
Vigil Mechanism	22	Yes
Policy for related party Transaction	23(1), (1A), (5),(6), (7) & (8)	Yes
Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
Approval for material related party transactions	23(4)	Yes
Disclosure of related party transactions on consolidated basis	23(9)	Yes
Composition of Board of Directors of unlisted material Subsidiary	24(1)	Not Applicable
Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2), (3), (4),(5) & (6)	Yes
Annual Secretarial Compliance Report	24(A)	Yes
Alternate Director to Independent Director	25(1)	Not Applicable
Maximum Tenure	25(2)	Yes
Meeting of independent directors	25(3) & (4)	Yes
Familiarisation of independent directors	25(7)	Yes
Declaration from Independent Directors	25(8) & (9)	Yes
D & O Insurance for Independent Directors	25(10)	Not Applicable
Memberships in Committees	26(1)	Yes
Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
Disclosure of Shareholding by Non- Executive Directors	26(4)	Yes
Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
Adoption of Corporate Governance Discretionary Requirements	27(1)	Yes
Submission of Quarterly Compliance Report on Corporate Governance to the Stock Exchanges within 15 days from the close of the respective quarter or in time limit as provided / extended.	27(2)	Yes

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

Year	Total No. of Shareholders at the beginning of the year	Outstanding Shares in IEPF demat suspense account at the beginning of the year	Total No. of Shareholders whose shares are transferred to IEPF demat suspense account during the year	Total No. of Shares transferred to IEPF suspense account during the year	Total No. of Shareholders who approached the Company for transfer of shares from IEPF suspense account during the year	No. of Shares Transferred from IEPF Suspense Account during the year	Outstanding Shares in demat suspense account lying at the end of the year.	Voting Rights Frozen
2012-13	1480	1,65,073	-	-	6	645	1,64,428	Yes
<b>Total</b>	<b>1480</b>	<b>1,65,073</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>645</b>	<b>1,64,428</b>	

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

Further, the Company has transferred 33,764 equity shares comprising 273 cases to IEPF Account in respect of which dividend stands unclaimed for a continuous period of seven years starting from F.Y - 2012-13 onwards on 15th May, 2020.

### 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
10	1408	Nil	NIL	2	175	Yes

\* 8 cases comprising 1233 shares are transferred to IEPF Authority on 18th May, 2020

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

### SURYA CODE OF CONDUCT

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

### DECLARATION

We hereby confirm that all the Board Members and senior management personnel of the Company have affirmed their compliance of the '**Code of Conduct for Members of the Board and Senior Management**' for the year ended 31st March 2020 in terms of clause D of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with the Stock Exchanges.

Place : New Delhi  
Date: 25th June, 2020

Jai Prakash Agarwal  
Chairman  
DIN: 00041119

Raju Bista  
Managing Director  
DIN -01299297

Tarun Baldua  
CEO  
(Steel Operations)

Ramanjit Singh  
CEO  
(Lighting Operations)

## 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 March 31, 2020. This certificate is required by the Company for annual submission to the Stock exchange and to be sent to the shareholders of the Company.

### Management's Responsibility

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

### Auditor's Responsibility

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

### Opinion

8. Based on the procedures performed by us as referred in paragraph 6 and 7 and according to the information and explanations given to us, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the year ended March 31, 2020, 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 :F002411B000378820**

**Place : New Delhi  
Dated: 25th June, 2020**

## ANNEXURE-VIII TO BOARD 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	www.surya.co.in
5.	Email id	cs@surya.in
6.	Financial Year Reported	2019-20
7.	Sector(s) that the Company is engaged in (industrial activity code-wise) Industrial Group & Description	Steel Pipes & Strips and Lighting & Consumer Goods Please refer to MGT-9 of Annual Report in Directors' Report on page 67
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: 7
	a) Number of International locations (provide details of major 5)	Nil
	b) Number of National Locations	Total 7 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), Mahuakherganj, 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	₹ 54.41 crore
2.	Total turnover	₹ 5,469.02 crore
3.	Total Profit after taxes	₹ 102.21 crore
4.	Total spending on Corporate Social Responsibility (CSR) As percentage of Profit after tax (%)	₹ 3.02 crore 2.13%
5.	List of activities in which Corporate Social Responsibility (CSR) expenditure was incurred	1. Adarsh Gram Yojna (Rural Development) 2. Naturopathy

### 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.

## ANNEXURE-VIII TO BOARD REPORT BUSINESS RESPONSIBILITY REPORT (Contd.)

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.

### 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
Name	:	Raju Bista
Designation	:	Managing Director

##### b) Details of the BR head:

Name	:	Kaustubh Narsinh Karmarkar
Designation	:	HR-Director
Telephone No.	:	011-47108000
E-mail id	:	ved@surya.in

#### 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? Is 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/function head								



## ANNEXURE-VIII TO BOARD 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 centres 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 email <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.	<a href="https://surya.co.in/code-of-conduct">https://surya.co.in/code-of-conduct</a> <a href="https://surya.co.in/sadmin/upload/162928_whistle-blower-policy.pdf">https://surya.co.in/sadmin/upload/162928_whistle-blower-policy.pdf</a> <a href="https://surya.co.in/sadmin/upload/143920_Surya-Roshni-Ltd_Fair-Disclosure-Code-on-Insider-Trading.pdf">https://surya.co.in/sadmin/upload/143920_Surya-Roshni-Ltd_Fair-Disclosure-Code-on-Insider-Trading.pdf</a>
		4) Prevention of Sexual Harassment Policy	<a href="https://surya.co.in/sadmin/upload/POLICY%20ON%20PREVENTION%20OF%20SEXUAL%20HARASSMENT%20OF%20WOMEN.pdf">https://surya.co.in/sadmin/upload/POLICY%20ON%20PREVENTION%20OF%20SEXUAL%20HARASSMENT%20OF%20WOMEN.pdf</a>

## ANNEXURE-VIII TO BOARD REPORT BUSINESS RESPONSIBILITY REPORT (Contd.)

Principle No.	Principle	Reference Documents	Reference Links
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/sadmin/upload/EOHS%20Policy.pdf">https://surya.co.in/sadmin/upload/EOHS%20Policy.pdf</a>
3	Businesses should promote the well-being of all employees	1) Code of Conduct	<a href="https://surya.co.in/code-of-conduct">https://surya.co.in/code-of-conduct</a>
		2) Environment, health and safety policy	<a href="https://surya.co.in/sadmin/upload/EOHS%20Policy.pdf">https://surya.co.in/sadmin/upload/EOHS%20Policy.pdf</a>
		3) Diversity policy	<a href="https://surya.co.in/sadmin/upload/Diversity%20Policy.pdf">https://surya.co.in/sadmin/upload/Diversity%20Policy.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	<a href="https://surya.co.in/code-of-conduct">https://surya.co.in/code-of-conduct</a>
		2) Corporate Social Responsibility Policy	<a href="https://surya.co.in/sadmin/upload/143703_CSR_Policy.pdf">https://surya.co.in/sadmin/upload/143703_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	<a href="https://surya.co.in/sadmin/upload/143703_CSR_Policy.pdf">https://surya.co.in/sadmin/upload/143703_CSR_Policy.pdf</a>
		2) Environment, health and safety policy	<a href="https://surya.co.in/sadmin/upload/EOHS%20Policy.pdf">https://surya.co.in/sadmin/upload/EOHS%20Policy.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/sadmin/upload/143703_CSR_Policy.pdf">https://surya.co.in/sadmin/upload/143703_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-VIII TO BOARD 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, 2020.

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 2019-20.

#### 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 & Tubes 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-VIII TO BOARD 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	3,488		
2.	Please indicate the total number of employees hired on temporary/contractual/casual basis	4,113		
3.	Please indicate the Number of permanent women employees	16		
4.	Please indicate the Number of permanent employees with disabilities	NIL		
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	75% 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		Not Applicable

## ANNEXURE-VIII TO BOARD 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 2019-20 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 have 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?

## ANNEXURE-VIII TO BOARD REPORT BUSINESS RESPONSIBILITY REPORT (Contd.)

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 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)

- 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. All CFL's have been replaced with LED's in its Plants.

During the year the Company has installed solar panel at its manufacturing facilities at Anjar Bhuj with a total capacity of 2 MW. Post reviewing the solar plant performance, the Company will be installing solar panel at all its other manufacturing units.

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.

- 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.

- 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

- 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).

- 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

- 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.

## ANNEXURE-VIII TO BOARD REPORT BUSINESS RESPONSIBILITY REPORT (Contd.)

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.

4. What is your company's direct contribution to community development projects - Amount and the details of the projects undertaken.

Please refer to ANNEXURE - V to the Directors' 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 2019-20.

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 the 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.

Place : New Delhi  
Date: 25th June, 2020

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

## ANNEXURE -IX TO BOARD'S REPORT

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

- A. We hereby certify that for the financial year ending 31st March, 2020 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 2019-2020 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: 25th June, 2020

**J P Agarwal**  
Chairman  
DIN-00041119

**Raju Bista**  
Managing Director  
DIN- 01299297

**R N Maloo**  
ED & Group CFO



## ANNEXURE -X 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 2019-20, ratio of remuneration of each director to the median remuneration of the employees of the Company for the financial year 2019-20.

Sr. No	Name of the Director/ KMP and Designation	Remuneration of Director / KMP for the financial year 2019-20 (₹ in crore)	% increase in Remuneration in the Financial year 2019-20	Ratio of remuneration of each Director / to median remuneration of employees
1	Shri. Jai Prakash Agarwal (Executive Chairman)	5.690	*	159.35
2	Shri. Raju Bista (Managing Director)	4.216	**	118.06
3.	Shri. Vinay Surya (Whole-time Director)	1.659	***	46.47
4.	Shri. Kaustubh N Karmarkar (Whole-time Director)	1.150	#	32.20
5	Shri. Tarun Baldua (CEO – Steel Operations)	1.136	8.74	Not Applicable
6	Shri. Ramanjit Singh (CEO–Lighting Operations)	1.162	\$	Not Applicable
7	Shri. R N Maloo (ED & Group CFO)	0.836	3.09	Not Applicable
8	Shri. B B Singal (Sr. V.P & C.S)	0.428	10.40	Not Applicable

- \* No increase in salary of Jai Prakash Agarwal during the year 2019-20 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 2019-20 stands to ₹ 2.09 crore.
- \*\* Salary of Raju Bista during the FY 2019-20 is ₹ 21 lakhs p.m an increased by 5% from the salary drawn on 31st March, 2019. 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 2019-20 stands to ₹ 1.394 crore.
- \*\*\* Drawn salary of ₹ 15 lakhs p.m. from April, 2019 to February, 2020 and voluntary withdrawn less salary in March, 2020. As he is appointed as Whole-time Director on the Board of the Company w. e. f. 18th May, 2018, the figures are not comparable.
- # Drawn salary of ₹ 11.50 lakhs p.m. from April 2019 to Nov 2019 and voluntary withdrawn 50% salary from Dec'19 to March'20. As he is appointed as Whole-time Director on the Board of the Company w. e. f. 10th August, 2018, the figures are not comparable.
- \$ Salary restructured in December, 2019 hence figures are not comparable.

- (ii) In the financial year, there was an increase of 5.65 % in the median remuneration of employees;
- (iii) There were 3,482 number of permanent employees on the rolls of company;
- (iv) average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2019-20 was 8.94% whereas increase in the managerial remuneration 1.98%. We affirmed that the remuneration paid / payable is as per remuneration policy of the Company.

## ANNEXURE -X TO BOARD'S REPORT (Contd.)

### STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY:

STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY								
		Shri. Jai Prakash Agarwal	Shri. Raju Bista	Shri. Vinay Surya	Shri. Kaustubh N Karmarkar	Shri. Mukesh Tripathi	Shri. Ramanjit Singh	Shri. Tarun Baldua
(i)	designation of the employee;	Executive Chairman	Managing Director	Whole-time Director	Whole-time Director	Executive Director	CEO- Lighting Operations	CEO- Steel Operations
(ii)	remuneration received; (in crore)	5.690	4.216	1.659	1.150	1.140	1.162	1.136
(iii)	nature of employment, whether contractual or otherwise;	As per Agreement From 1st January, 2017 to 31st December, 2021	As per Agreement From 14th November, 2018 to 13th November, 2023	As per Agreement From 18th May, 2018 to 17th May, 2023	As per Agreement From 10th August, 2018 to 9th August, 2023	Whole-time Employee	Whole-time Employee	Whole-time Employee
(iv)	qualifications and experience of the employee;	B.Com	M.B.A	M.B.A from Australia	M.B.A	MBA	M.B.A	C.A
(v)	date of commencement of employment;	01-04-1986	01-08-2004	1-01-2018	11-01-2018	11-01-2018	13-08-2015	05-01-2013
(vi)	the age of such employee;	69 years	34 years	47 years	41 years	43 years	59 years	58 years
(vii)	the last employment held by such employee before joining the company;	Jindal Industries Limited (Executive Director)	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Philips India Ltd.	Maral Overseas Ltd.
(viii)	the percentage of equity shares held by the employee in the company within the meaning of clause (iii) of sub-rule (2) above; and	3.24%	Not Applicable	0.31%	Not Applicable	Not Applicable	Not Applicable	Not Applicable
(ix)	whether any such employee is a relative of any director or manager of the company and if so, name of such director or manager:	Smt. Urmil Agarwal & Shri. Vinay Surya	Not Applicable	Shri. J P Agarwal & Smt. Urmil Agarwal	Not Applicable	Not Applicable	Not Applicable	Not Applicable
	The employee, if employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than One Crore two lakh rupees;	Yes	Yes	Yes	Yes	Yes	Yes	Yes

## ANNEXURE -X TO BOARD'S REPORT (Contd.)

STATEMENT SHOWING DETAILS OF EMPLOYEES OF THE COMPANY							
The employee, if employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh fifty thousand rupees per month;	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable
The employee, if employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable	Not Applicable

Place : New Delhi  
Date: 25th June, 2020

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

# 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, 2020 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, 2020 and profit and total comprehensive income, changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined that there are no key audit matters to communicate in our report.

S. No.	Key Audit Matters	Auditor's Response
1.	<b>Warranty Provisions</b> 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 ₹ 50.72 crore as on 31st March, 2020. Refer Note 43 to the Standalone Financial Statement	<b>Principal Audit Procedures</b> We have <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> 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.

## 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.

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

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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole

are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF SURYA ROSHNI LIMITED (Contd.)

Materiality is the magnitude of misstatements in the standalone financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143 (3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of changes in equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account;

- d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act;
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of Section 197 of the Act.

- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - i. The company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note No. 42 to the standalone financial statements.
  - ii. The Company did not have any long-term derivative contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There has been no delay and in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

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

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

**Place: New Delhi**  
**Date: 25th June, 2020**

**Membership No. 017644**  
**UDIN: 20017644AAAAAW2043**

## "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 financial statements for the year ended 31st March, 2020, we report that:

- i. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- (b) The Company has a phased program of physical verification of its fixed assets which in our opinion, is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this program, certain fixed assets were physically verified by the Management during the year and no material discrepancies were noticed on such verification as compared to the books of accounts.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- ii. We have been explained by the management that the inventory have been physically verified at reasonable intervals during the year. As far as we could ascertain and according to information and explanations given to us, no material discrepancies were noticed between the physical stock and the book records.
- iii. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act.
- iv. According to the information and explanations given to us, the Company has complied with the provisions of section 185 and section 186 of the Companies Act, 2013 with respect to the loans, investments, guarantees, security provided.
- v. According to the information and explanations given to us, during the year the Company has not accepted any deposits from the public. Accordingly, the provisions of clause 3 (v) of the Order are not applicable to the Company.
- vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules prescribed by the Central Government of India for the maintenance of cost records under sub-section 1 of Section 148 of the Companies Act, 2013 and are of the opinion that, prima facie, the prescribed records and accounts have been made and maintained. However,

we have not carried out a detailed examination of such records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and on the basis of examination of the records of the Company, the company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income tax, custom duty, Goods and Service Tax (GST), Cess and any other material statutory dues with the appropriate authorities to the extent applicable and further, there are no undisputed statutory dues payable for a period of more than six months from the date they become payable as at 31st March 2020.
- (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)	1.64	3.88

- viii. In our opinion, on the basis of audit procedures and according to the information and explanations given to us, the Company has not defaulted in repayment of loan or borrowing to any banks and Financial Institutions. The Company has not obtained any loans from debenture holders and Government.
- ix. According to the information and explanations given to us, the company has not raised moneys by way of initial public offer or further public offer (including debt instruments) during the year. The term loans have been applied for the purpose for which they were raised.
- x. During the course of our examination of the books and records of the Company carried out in accordance with the generally accepted auditing practices in India, we have neither come across any instance of fraud on or by the Company, noticed or reported during the year, nor have we been informed of such case by the Management.

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

- xi. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/ provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- xiii. According to the information and explanations given to us and based on our examination of the record of the company, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and relevant details of such transactions have been disclosed in the Financial Statements as required by the applicable accounting standards.
- xiv. According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(xiv) of the Order is not applicable.
- xv. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him during the year. Accordingly, clause 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi) of the Order is not applicable.

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

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

**Place: New Delhi  
Date: 25th June, 2020**

**Membership No. 017644  
UDIN: 20017644AAAAAW2043**



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

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

We have audited the internal financial controls over financial reporting of **SURYA ROSHNI LIMITED** ("the Company") as of 31st March, 2020 in conjunction with our audit of the Standalone financial statements of the Company for the year ended on that date.

#### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial

controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

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

## "ANNEXURE B" TO THE INDEPENDENT AUDITORS' REPORT

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **OPINION**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over

financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, 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  
Date: 25th June, 2020**

**Membership No. 017644  
UDIN: 20017644AAAAAW2043**

## STANDALONE BALANCE SHEET

AS AT 31st MARCH, 2020

Particulars	Note No.	(₹ in crore)	
		As at 31st March, 2020	As at 31st March, 2019
<b>I ASSETS</b>			
<b>1 Non-current assets</b>			
a Property, plant and equipment	5	1,049.20	1,088.58
b Capital work-in-progress	5	14.99	24.57
c Other intangible assets	5	11.92	-
d Investment in Subsidiary	6	3.85	0.05
e Financial assets			
i Other financial assets	7	32.81	46.06
f Other non-current assets	8	20.00	7.25
		<b>1,132.77</b>	<b>1,166.51</b>
<b>2 Current assets</b>			
a Inventories	9	912.81	843.53
b Financial assets			
i Trade receivables	10	697.81	837.68
ii Cash and cash equivalents	11	1.00	1.63
iii Bank balances other than (ii) above	12	0.58	0.43
iv Other financial assets	13	37.46	38.45
c Current tax assets (net)	14	8.81	0.27
d Other current assets	15	178.91	140.26
		<b>1,837.38</b>	<b>1,862.25</b>
<b>Total Assets</b>		<b>2,970.15</b>	<b>3,028.76</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	16	54.41	54.41
Other equity	17	1,184.54	1,097.52
		<b>1,238.95</b>	<b>1,151.93</b>
<b>LIABILITIES</b>			
<b>1 Non-current liabilities</b>			
a Financial liabilities			
i Borrowings	18	270.03	334.85
ii Other financial liabilities	19	10.74	10.48
b Provisions	20	58.30	50.68
c Deferred tax liabilities (net)	21	61.08	79.94
		<b>400.15</b>	<b>475.95</b>
<b>2 Current liabilities</b>			
a Financial liabilities			
i Borrowings	22	761.75	796.67
ii Trade payables			
A) Total outstanding dues of micro enterprises and small enterprises;	23	23.90	23.40
B) Total outstanding dues of creditors other than micro enterprises and small enterprises;	23	270.85	326.61
iii Other financial liabilities	24	181.81	159.08
b Other current liabilities	25	32.09	41.19
c Provisions	26	60.65	52.37
d Current tax liabilities (net)	27	-	1.56
		<b>1,331.05</b>	<b>1,400.88</b>
<b>Total Equity and liabilities</b>		<b>2,970.15</b>	<b>3,028.76</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)

CA Ashok Kumar  
Partner FCA  
Membership No. 17644

Ramanjit Singh  
CEO (Lighting Operations)

Tarun Baldua  
CEO (Steel Operations)

R N Maloo  
Executive Director  
& Group Chief Financial Officer

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

For and on behalf of the Board

J P Agarwal  
Chairman  
DIN: 00041119

Raju Bista  
Managing Director  
DIN: 01299297

Place : New Delhi  
Dated : 25th June, 2020

# STANDALONE STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in crore)

Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>I REVENUE FROM OPERATIONS</b>	29	5,469.02	5,977.04
<b>II OTHER INCOME</b>	30	3.35	4.11
<b>III TOTAL INCOME (I+II)</b>		<b>5,472.37</b>	<b>5,981.15</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	31	4,067.57	4,402.89
Purchases of stock-in-trade	32	262.96	288.60
Changes in inventories of finished goods, stock-in-trade and work-in-progress	33	(96.21)	38.88
Employee benefits expense	34	303.80	293.73
Finance costs	35	114.11	115.07
Depreciation and amortisation expense	36	103.47	88.51
Other expenses	37	577.30	580.89
<b>Total expenses</b>		<b>5,333.00</b>	<b>5,808.57</b>
<b>V PROFIT BEFORE TAX (III-IV)</b>		<b>139.37</b>	<b>172.58</b>
<b>VI TAX EXPENSE</b>			
Current tax	28	28.50	53.58
Deferred tax	21	8.66	(1.88)
<b>VII PROFIT FOR THE YEAR (V-VI)</b>		<b>102.21</b>	<b>120.88</b>
<b>VIII OTHER COMPREHENSIVE INCOME</b>	38		
(i) Items that will not be reclassified to profit or loss		(2.76)	(4.84)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.69	1.69
<b>Total other comprehensive income</b>		<b>(2.07)</b>	<b>(3.15)</b>
<b>IX TOTAL COMPREHENSIVE INCOME(VII+VIII)</b>		<b>100.14</b>	<b>117.73</b>
<b>Earnings per equity shares (face value of ₹ 10/-each)</b>	39		
1) Basic (in ₹)		18.78	22.22
2) Diluted (in ₹)		18.78	22.22

See accompanying notes to the standalone 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)

**Ramanjit Singh**  
CEO (Lighting Operations)

**R N Maloo**  
Executive Director  
& Group Chief Financial Officer

**J P Agarwal**  
Chairman  
DIN: 00041119

**CA Ashok Kumar**  
Partner FCA  
Membership No. 17644

**Tarun Baldua**  
CEO (Steel Operations)

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

**Raju Bista**  
Managing Director  
DIN: 01299297

Place : New Delhi  
Dated : 25th June, 2020

## STANDALONE CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

Particulars	(₹ in crore)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
<b>a. Net operating profit before tax</b>	139.37	172.58
<b>Adjustment for :</b>		
Re-measurement gain / loss on defined benefit plans routed through OCI	(2.76)	(4.84)
Depreciation and amortisation of Property, Plant and Equipment	103.47	88.51
(Profit)/Loss on Sale/Retirement of Property Plant and Equipment (Net)	0.04	0.03
Allowance for doubtful debts	1.73	5.12
Lease Rent Paid	(6.93)	-
Finance cost	114.11	115.07
<b>b. Operating profit before Working Capital changes</b>	<b>349.03</b>	<b>376.47</b>
<b>Adjustment for :</b>		
(Increase) / Decrease in Trade receivables	138.13	(130.21)
(Increase) / Decrease in Other financial assets	14.24	(28.92)
(Increase) / Decrease in Other assets	(78.38)	(30.19)
(Increase)/Decrease in Inventories	(69.28)	(14.96)
Increase / (Decrease) in Trade payables/ provisions	(39.36)	(31.80)
Increase / (Decrease) in Other financial liabilities	13.57	5.47
Increase / (Decrease) in Other liabilities	(9.09)	9.27
	<b>(30.17)</b>	<b>(221.34)</b>
<b>c. Cash generated from Operations before tax (a+b)</b>	<b>318.86</b>	<b>155.13</b>
<b>d. Net Direct Taxes paid</b>	<b>(38.60)</b>	<b>(34.99)</b>
<b>Net cash flow from operating activities A = (c+d)</b>	<b>280.26</b>	<b>120.14</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment.	(50.87)	(105.82)
Sale of Property, Plant and Equipment	2.70	0.54
Investment in subsidiary Company	(3.80)	(0.05)
<b>Net cash flow used in investing activities</b>	<b>(51.97)</b>	<b>(105.33)</b>
<b>Net cash from operating and investing activities (A+B)</b>	<b>228.29</b>	<b>14.81</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings (Non Current)	(115.08)	(40.48)
Proceeds from borrowings (Non Current)	48.82	55.00
Short term borrowings Increase / (Decrease) during the year (net)	(34.91)	79.62
Payment of dividend	(10.88)	(10.88)
Payment of dividend distribution tax	(2.24)	(2.24)
Finance cost	(114.63)	(118.32)
<b>Net cash used in financing activities</b>	<b>(228.92)</b>	<b>(37.30)</b>
<b>Net cash (used) in/from operating, investing and financing activities ((A+B)+C)</b>	<b>(0.63)</b>	<b>(22.49)</b>
Net increase/(decrease) in Cash & Cash equivalent	(0.63)	(22.49)
Opening balance	1.63	24.12
<b>Closing balance of Cash &amp; Cash equivalent (refer note no.11 )</b>	<b>1.00</b>	<b>1.63</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)

**Ramanjit Singh**  
CEO (Lighting Operations)

**R N Maloo**  
Executive Director  
& Group Chief Financial Officer

**J P Agarwal**  
Chairman  
DIN: 00041119

**CA Ashok Kumar**  
Partner FCA  
Membership No. 17644

**Tarun Baldua**  
CEO (Steel Operations)

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

**Raju Bista**  
Managing Director  
DIN: 01299297

Place : New Delhi  
Dated : 25th June, 2020

# STANDALONE STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31st MARCH, 2020

### A. EQUITY SHARE CAPITAL

(₹ in crore)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	5,44,08,974	54.41	5,44,08,974	54.41
<b>Balance at the end of the reporting period</b>	<b>5,44,08,974</b>	<b>54.41</b>	<b>5,44,08,974</b>	<b>54.41</b>

### B. OTHER EQUITY

(₹ in crore)

Particulars	Reserves and surplus							Total
	Forfeiture reserve	Securities premium	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Other comprehensive income	
<b>Balance as at 1st April, 2018</b>	<b>17.63</b>	<b>142.71</b>	<b>3.00</b>	<b>124.69</b>	<b>71.36</b>	<b>642.21</b>	<b>(8.69)</b>	<b>992.91</b>
Profit for the year						120.88	(3.15)	117.73
Total comprehensive income for the year	-	-	-	-	-	120.88	(3.15)	117.73
Payment of dividend						(10.88)		(10.88)
Payment of dividend distribution tax						(2.24)		(2.24)
Transfer of profit for the year to General reserve					13.00	(13.00)	-	-
<b>Balance as at 31st March, 2019</b>	<b>17.63</b>	<b>142.71</b>	<b>3.00</b>	<b>124.69</b>	<b>84.36</b>	<b>736.97</b>	<b>(11.84)</b>	<b>1,097.52</b>
Profit for the year						102.21	(2.07)	100.14
Total comprehensive income for the year	-	-	-	-	-	102.21	(2.07)	100.14
Payment of dividend						(10.88)		(10.88)
Payment of dividend distribution tax						(2.24)		(2.24)
<b>Transfer of profit for the year to General reserve</b>					<b>10.00</b>	<b>(10.00)</b>		<b>-</b>
<b>Balance as at 31st March, 2020</b>	<b>17.63</b>	<b>142.71</b>	<b>3.00</b>	<b>124.69</b>	<b>94.36</b>	<b>816.06</b>	<b>(13.91)</b>	<b>1,184.54</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)

Ramanjit Singh  
CEO (Lighting Operations)

R N Maloo  
Executive Director  
& Group Chief Financial Officer

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CA Ashok Kumar  
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Tarun Baldua  
CEO (Steel Operations)

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

Raju Bista  
Managing Director  
DIN: 01299297

Place : New Delhi  
Dated : 25th June, 2020

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

### 1 CORPORATE AND GENERAL INFORMATION

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

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

### 2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS AND USE OF ESTIMATES

#### 2.1 Basis of preparation of financial statements

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

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

#### 2.3 Use of estimates

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

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

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of Measurement

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

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

#### 3.2 Property, Plant and Equipment (PPE)

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

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

Capital work-in-progress includes cost of property, plant and equipment under installation as at the balance sheet date and the cost of Property, Plant and Equipment not put to use are disclosed under 'Capital work-in-progress'. Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets

#### 3.3 Depreciation and Amortisation

i Depreciation on the property, plant and equipment is provided over the useful life of assets which is coincide with the life specified in Schedule II to the Companies Act, 2013. The range of useful lives of the Property, Plant and Equipment are as follows:

Property, plant and equipment	Useful life in Years
Plant and equipments	08 – 15
Buildings	05-60
Office equipment's	05
Vehicles	08
Furniture and fixtures	10
Computers	03 – 06

However, in case of the following category of plant and equipments, the depreciation has been provided, based on the technical evaluation of the remaining useful life as under :-

Plant and Equipments - Pipe Mills cold rolling and 3 LPE Plant of Steel Division	25 years
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The useful lives of assets as mentioned above is on their single shift basis, if an asset is used for any time during the year for double shift, the depreciation will increase by 50% for that period and in case of triple shift the depreciation will increase by 100% for that period.

- ii Property, plant and equipment (PPE) which are added/ disposed- of during the year, depreciation is provided on pro-rata basis from (up- to) the date on which the PPE is available for use (disposed-off).
- iii The residual values and useful lives of PPE are reviewed in every financial year considering the physical condition, benchmarking analysis or indicators for review of residual value and useful life of the respective assets and the same is adjusted prospectively. Lease hold land is amortised over the period of lease.
- iv Free-hold land are not subject to amortisation.
- 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. In such cases, the recoverable amount is determined



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the Statement of Profit and Loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in Statement of Profit and Loss.

### 3.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and Cheques / drafts in hand, balances with banks, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments. The cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS) 7 statement of cash flows.

### 3.6 Inventories

Inventories are carried in the balance sheet as follows:

Raw material	At lower of cost or net realisable value
Work-in Progress	At lower of cost or net realisable value
Finished Goods / Stock in trade	At lower of cost or net realisable value
Stores, spares and consumable	At lower of cost or net realisable value

The cost of inventories comprises of cost of purchase, cost of conversion and other related costs incurred in bringing the inventories to their respective present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 3.7 Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind-AS 19 – Employee Benefits.

#### a) Defined contribution plan

- i Provident Fund: Contribution to the provident fund with the government at pre-determined rates is a defined contribution scheme and is charged to the statement of Profit and Loss when employees have rendered services entitling them to such benefit.
- ii National pension scheme : Contribution to national pension scheme with the at pre-determined rates is a defined contribution scheme and is charged to the statement of Profit and Loss when employees have rendered services entitling them to such benefit.

#### b) Defined benefit plan

**Gratuity** : The Company provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Company 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.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

d) **Other Short-term employee benefits:** All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

### 3.8 Foreign currency reinstatement and translation

#### a) **Functional and presentation currency**

The financial statements have been presented in Indian Rupees (INR), which is The Company's functional and presentation currency.

#### b) **Transactions and balances**

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are 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.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 3.10 Investments in subsidiary

The investments in subsidiary is carried in these 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

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

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

- i Pursuant to the Taxation Laws (Amendment) Act, 2019, tax rates have changed w.e.f. from 1st April, 2019, and accordingly, the Company has exercised the option permitted under Section 115BAA of the Income-Tax Act, 1961 for reduced tax rates. Accordingly current tax expenses have been accounted for.
- ii For the Financial year ended 31st March, 2019, Current tax provision was computed on Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws of that assessment year.
- iii. Provision for current income taxes and advance taxes paid are presented in the balance sheet after offsetting them on an assessment year basis.

#### Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet approach for all taxable temporary differences to the extent that it is probable that future taxable profits will be available. Deferred tax assets and liabilities are measured at the applicable tax rates and tax laws those are enacted

or substantively enacted. Deferred tax assets and deferred tax liabilities are set-off, and presented on net basis. The carrying amount of deferred tax is reviewed at each balance sheet date. The measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which The Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3.14 Revenue recognition and other income

The Company is in the business of sale of Steel Pipes and Strips, lightings, LED and conventional lighting goods, fans, appliances, PVC pipes and fittings etc. The Company also provide extended warranties for its LED street lighting.

Revenue from contracts with customers is recognised when control of the promised goods or services are transferred to the customer at an amount that reflects the consideration to which The Company expects to be entitled in exchange for those goods or services.

#### a) Sale of Product / Goods

Revenue from sale of Product/Goods is recognised at the point in time when control of the asset is transferred to the customer, generally on delivery of the Product/Goods and there is no uncertainty in receiving the same and there is reasonable assurance that The Company will comply with the conditions attached to them.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In recognition of revenue from sale of goods, The Company also considers the effects of sales returns, volume rebates, schemes discount, incentives, price concessions and financing components.

Extended warranty: The extended warranties provided to the customers are considered as the separate contract, adjusted and accounted accordingly.

Volume rebates and schemes discounts: The Company provides volume rebates and schemes discounts to its customers based on quantity of products purchased by them during the period. To estimate for the expected future outgo for revenue recognition, The Company applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

Financing component: In case of extended trade credit agreed with the customers containing significant financing component, the transaction price for such contract are discounted, using the effective interest rate that would be considered separate financing transaction at transaction inception, to take into consideration the significant financing component.

### b) **Export incentives:**

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and there is reasonable assurance that The Company will comply with the conditions attached to them.

### b) **Rendering of Service**

Revenue from Services is recognised as per terms of the contract with customers based on stage of completion when the outcome of the transaction involving rendering of services can be estimated reliably.

### c) **Other Income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### 3.15 Government grants / Assistance

Government grants/Assistance recognised where there is reasonable assurance that the same will be received and the eligibility criteria is met out. Government grants/Assistance are recognised in profit and loss account on a systematic basis over the period in which The Company, recognises as expenses the related cost for which the grants are intended to compensate.

### 3.16 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:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by The Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

**Level 1:** Quoted prices in active markets for identical assets and liabilities

**Level 2:** Directly or indirectly observable market inputs, other than Level 1 inputs. This includes the assets and liabilities carried at forward contract rates / prevailing exchange rate at year end and assets carried at present value using appropriate discounting rate

**Level 3:** Inputs which are not based on observable market data.

For assets and liabilities that are recognised in the financial statements on a recurring basis, The Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, The Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 3.18 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of The Company by the weighted average number of equity shares outstanding during the year.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of The Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### 3.19 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 Financial Statements.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, it is recognised as an asset.

#### c) Warranty Provisions

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and management estimates regarding possible future incidence based on corrective actions

on product failures. The timing of outflows will vary as and when warranty claim will arise.

As per the terms of the contracts, The Company provides post-contract services / warranty support to some of its customers. The Company accounts for the post-contract support / provision for warranty on the basis of the information available with the Management duly taking into account the current and past technical estimates.

### 3.20 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:

- 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.

### 3.21 Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

The Company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

### As a lessee

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, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, The Company uses its incremental borrowing rate as the discount 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 of 12 months. The Company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

#### 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 financial statement:

##### a) Property, plant and equipment - Useful lives of assets

The Company reviews the useful life of assets at the end of each reporting period.

This reassessment may result in change in depreciation expenses in future periods.

##### b) Warranties

The Company generally offers Warranties for its consumer products and the liability towards warranty-related costs are recognised in the year of sales or service provided to the customers. Management ascertain and measure the liability for warranty claims based on historical experience and trend. The assumptions made in relation to current year are consistent of those are in prior years.

##### c) Provision

A provision is recognised when The Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

##### d) Contingent Liabilities and Contingent Assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of The Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the notes. Contingent assets are not recognised in the financial statements.

#### 4.2 Standards issued but not effective (based on Exposure drafts available as on date)

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

Ministry of Corporate Affairs has carried out amendments of the following accounting standards. The amendments to existing Standards are proposed to be effective for reporting periods beginning on or after 1st April 2020.

1. Ind AS 103 – Business Combination
2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 – Investment Property

**NOTES TO STANDALONE FINANCIAL STATEMENTS**  
FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

**5 PROPERTY, PLANT AND EQUIPMENT**

Particulars	Land-Freehold	Land-Leasehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total	Capital work in progress
<b>GROSS CARRYING VALUE</b>										
As at 1st April, 2018	19.50	10.97	202.12	1,073.00	5.86	6.57	2.81	7.26	1,328.09	21.91
Additions	1.53	-	10.09	89.65	0.50	2.77	0.64	0.56	105.74	75.34
Disposals	-	-	-	0.39	-	0.37	0.45	0.94	2.15	72.68
As at 31st March, 2019	21.03	10.97	212.21	1,162.26	6.36	8.97	3.00	6.88	1,431.68	24.57
Additions	6.31	-	3.50	47.52	0.38	1.28	0.76	0.70	60.45	19.19
Deletion / adjustments	-	-	-	6.21	0.09	0.62	0.13	0.05	7.10	28.77
<b>As at 31st March, 2020</b>	<b>27.34</b>	<b>10.97</b>	<b>215.71</b>	<b>1,203.57</b>	<b>6.65</b>	<b>9.63</b>	<b>3.63</b>	<b>7.53</b>	<b>1,485.03</b>	<b>14.99</b>
<b>DEPRECIATION</b>										
As at 1st April, 2018	-	1.04	21.70	223.09	2.23	2.30	1.71	4.10	256.17	-
Depreciation for the year	-	0.35	7.93	76.98	0.78	0.86	0.35	1.26	88.51	-
Disposals	-	-	-	0.18	-	0.21	0.39	0.80	1.58	-
As at 31st March, 2019	-	1.39	29.63	299.89	3.01	2.95	1.67	4.56	343.10	-
Depreciation for the year	-	0.34	8.24	84.65	0.75	1.16	0.50	1.44	97.08	-
Deletion / adjustments	-	-	-	3.87	0.09	0.26	0.08	0.05	4.35	-
<b>As at 31st March, 2020</b>	<b>-</b>	<b>1.73</b>	<b>37.87</b>	<b>380.67</b>	<b>3.67</b>	<b>3.85</b>	<b>2.09</b>	<b>5.95</b>	<b>435.83</b>	<b>-</b>
<b>NET CARRYING VALUE</b>										
As at 1st April, 2019	21.03	9.58	182.58	862.37	3.35	6.02	1.33	2.32	1,038.58	24.57
As at 31st March, 2020	27.34	9.24	177.84	822.90	2.98	5.78	1.54	1.58	1,049.20	14.99

**Explanatory Notes:**

- The above property plant and equipment are under charge as security against borrowing see note no.18 & 22
- The Company has acquired exclusive used right for certain premises being used for its offices and classified them under the intangible assets.

**Intangible Assets**

Particulars	(₹ in crore)
Gross carrying value	-
As at 1st April, 2018	-
Additions	-
Deductions/ Adjustments	-
As at 31st March, 2019	-
Additions	18.31
Deductions/ Adjustments	-
As at 31st March, 2020	18.31
Depreciation/ Amortisation	-
As at 1st April, 2018	-
Additions	-
Deductions/ Adjustments	-
As at 31st March, 2019	-
Additions	6.39
Deductions/ Adjustments	-
As at 31st March, 2020	6.39
Net carrying value	-
As at 31st March, 2019	-
As at 31st March, 2020	11.92

Note: For other details of Right-of-Use Assets refer Note 40 to the Standalone financial statements

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 6 INVESTMENT CARRIED AT COST

	(₹ in crore)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Investment in Subsidiary</b>		
<b>Unquoted</b>		
38,50,000 Equity shares (previous year 50,000) 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. Previous year 100% holding, 49940 equity shares held in the name of company and balance 60 equity shared held through six nominees) refer note no. 46	3.85	0.05
	<b>3.85</b>	<b>0.05</b>
Aggregate amount of quoted investments Market value of ₹ Nil (Previous year ₹ Nil)		
Aggregate amount of unquoted investments	<b>3.85</b>	<b>0.05</b>

### 7 OTHER FINANCIAL ASSETS AT AMORTISED COST (NON CURRENT)

	(₹ in crore)	
	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured, considered good</b>		
Deferred Receivable	7.46	22.38
Unbilled revenue	15.51	13.98
Security deposits	9.84	9.70
	<b>32.81</b>	<b>46.06</b>

### 8 OTHER NON CURRENT ASSETS

	(₹ in crore)	
	As at 31st March, 2020	As at 31st March, 2019
Capital Advances	20.00	7.25
	<b>20.00</b>	<b>7.25</b>

### 9 INVENTORIES (CURRENT)

	(₹ in crore)	
	As at 31st March, 2020	As at 31st March, 2019
Raw materials	326.98	352.31
Work-in-progress	148.21	144.05
Finished goods	413.85	321.80
Stores, spares and consumables	23.77	25.37
	<b>912.81</b>	<b>843.53</b>

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

Inventories are hypothecated as security against borrowings see note no.18 & 22

### 10 TRADE RECEIVABLES (CURRENT)

	(₹ in crore)	
	As at 31st March, 2020	As at 31st March, 2019
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	692.06	835.32
Trade receivables considered good-unsecured from wholly owned subsidiary (refer note 49)	5.75	2.36
Trade receivables which have significant increase in Credit Risk	-	-
Trade receivables-credit impaired	6.08	11.69
Less : Allowance for doubtful debts	6.08	11.69
Net Trade receivables-credit impaired	-	-
	<b>697.81</b>	<b>837.68</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 11 CASH AND CASH EQUIVALENTS

	As at 31st March, 2020	As at 31st March, 2019
(₹ in crore)		
a. Balance with banks		
In Current Accounts	0.71	0.24
b. Cheques, drafts on hand	-	1.00
c. Cash on hand	0.29	0.39
<b>Cash and cash equivalents as per statement of cash flow</b>	<b>1.00</b>	<b>1.63</b>

### 12 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2020	As at 31st March, 2019
(₹ in crore)		
<b>Other bank balances</b>		
Fixed deposits	0.16	-
<b>Balance with banks</b>		
Unpaid dividend account (Earmarked against the corresponding provision refer note no.24)	0.42	0.43
	<b>0.58</b>	<b>0.43</b>

### 13 OTHER FINANCIAL ASSETS (CURRENT)

	As at 31st March, 2020	As at 31st March, 2019
(₹ in crore)		
Unbilled revenue	4.71	4.15
Recoverable from wholly owned subsidiary company (refer note 49)	-	0.22
Other recoverables	32.75	34.08
	<b>37.46</b>	<b>38.45</b>

### 14 CURRENT TAX ASSETS (NET)

	As at 31st March, 2020	As at 31st March, 2019
(₹ in crore)		
Current Tax Asset (net)	8.81	0.27
	<b>8.81</b>	<b>0.27</b>

### 15 OTHER CURRENT ASSETS

	As at 31st March, 2020	As at 31st March, 2019
(₹ in crore)		
Considered good, unless otherwise stated		
MAT Receivable	-	26.83
Recoverable from government authorities	136.24	80.24
Balances with statutory authorities	12.08	22.60
Prepaid expenses	2.50	1.98
Forward Contract Receivable	11.35	-
Advances to Supplier	16.74	8.61
	<b>178.91</b>	<b>140.26</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 16 SHARE CAPITAL

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
<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
	<b>54.41</b>	<b>54.41</b>
<b>Movement of Equity Shares</b>		
Balance at the beginning of the reporting period	5,44,08,974	5,44,08,974
Issued during the year	-	-
<b>Balance at the end of the reporting period</b>	<b>5,44,08,974</b>	<b>5,44,08,974</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.

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
<b>Cash dividends on equity shares declared and paid</b>		
Dividend for the year ended 31st March, 2019: ₹ 2.00 per share (Previous year ₹ 2.00 per share)	10.88	10.88
Dividend Distribution Tax on above	2.24	2.24
<b>Proposed dividends on equity shares</b>		
Dividend for the year ended 31st March, 2020: ₹ 2.00 per share (Previous year ₹ 2.00 per share)	10.88	10.88
Dividend Distribution Tax on proposed dividend	Not Applicable	2.24

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

Names	As at 31st March, 2020		As at 31st March, 2019	
	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, 2020 (Contd.)

### 17 OTHER EQUITY

	As at 31st March, 2020	As at 31st March, 2019
	(₹ in crore)	
a. Capital redemption reserve	3.00	3.00
b. Capital Reserve	124.69	124.69
c. Securities premium	142.71	142.71
d. Forfeiture reserve	17.63	17.63
e. General reserve	94.36	84.36
f. Retained earnings	816.06	736.97
g. Other comprehensive income	(13.91)	(11.84)
<b>Balance at the end of the Financial year</b>	<b>1,184.54</b>	<b>1,097.52</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. Forfeiture reserve

Forfeiture Reserve represents the forfeiture of amount of consideration received on allotment of warrants of the cases where option to take equity shares were not exercised within the prescribed time in accordance with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009

##### e. General reserve

The general reserve is created time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by transfer from one component of equity to another equity, hence items included in general reserve will not be reclassified subsequently to profit and loss.

##### f. Dividend

The Dividend of ₹ 10.88 crores for the Year 2019-20 (₹10.88 crores for the Year 2018-19) is accounted in the year of approval by the shareholders

### 18 BORROWINGS (NON CURRENT)

	As at 31st March, 2020	As at 31st March, 2019
	(₹ in crore)	
<b>Secured measured at amortised cost</b>		
<b>Term loans from banks</b>		
Rupee loans	186.83	128.53
Foreign currency loans	69.79	209.71
<b>Term loans from financial institutions</b>		
Rupee loans	18.75	-
Foreign currency loans	53.24	56.62
	<b>328.61</b>	<b>394.86</b>
Less : Loan repayment within one year (refer note 24)	58.58	60.01
	<b>58.58</b>	<b>60.01</b>
	<b>270.03</b>	<b>334.85</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

- A** Term Loans of ₹ 282.61 crore (₹ 345.86 crore As at 31st March, 2019) are secured by way of first pari-passu charge on all fixed Assets including equitable mortgage of Land and Building and further secured by way of second pari-passu charge on Company's entire Current Assets both present and future and personal guarantee of the Chairman of The Company.
- a Rupee Term Loans from banks aggregating ₹ 140.83 crore (₹ 79.53 crore As at 31st March, 2019) are payable in 22 (maximum) quarterly installments, with last repayment date 30th September, 2025, carrying floating interest rate linked with MCLR + spread upto to 85 bps with periodical interest reset out of above ₹ 121.50 crore is convertible into foreign currency at Libor+175 bps spread.
- b Foreign Currency Term Loan from banks aggregating ₹ 69.79 crore (₹ 209.71 crore As at 31st March, 2019) are payable in 12 (maximum) quarterly installments, with last repayment date 5th January, 2023, carrying floating interest rate LIBOR + 175 to 200 bps spread with periodical interest reset.
- c. Rupee Term Loans from financial institution aggregating ₹ 18.75 crore (₹ NIL crore As at 31st March, 2019) are payable in 29 (maximum) quarterly installments, with last repayment date 1st July, 2029, carrying floating interest rate linked with G-Sec + 275 bps spread with periodical interest reset and also convertible into foreign currency at Libor+200 bps spread.
- d. Foreign Currency Term Loan from financial institution aggregating ₹ 53.24 crore (₹ 56.62 As at 31st March, 2019) are payable in 27 (maximum) quarterly installments, with last repayment date 1st October, 2026, carrying floating interest rate LIBOR + 200 bps spread with periodical interest reset.
- B** Rupee Term Loan from one of the bank of ₹ 46.00 crore (₹ 49.00 crore As at 31st March, 2019) are secured by way of first pari-passu charge on all fixed Assets including equitable mortgage of Land and Building and further secured by way of second pari-passu charge on Company's entire Current Assets both present and future. which is payable in 29 quarterly instalments, with last repayment date 31st May, 2028, carrying floating interest rate linked with MCLR +20 bps spread with periodical interest reset.

### Change in Liability arising from financing activities

	As at 1st April, 2019	Receipts	Payments	(₹ in crore) As at 31st March, 2020
Current Borrowings ( Net Basis) (refer note no. 22)	796.67	-	34.92	761.75
Non-Current Borrowings	394.86	48.82	115.07	328.61
<b>Total</b>	<b>1,191.53</b>	<b>48.82</b>	<b>149.99</b>	<b>1,090.36</b>

	As at 1st April, 2018	Receipts	Payments	(₹ in crore) As at 31st March, 2019
Current Borrowings ( Net Basis) (refer note no. 22)	717.05	79.62	-	796.67
Non-Current Borrowings	380.34	55.00	40.48	394.86
<b>Total</b>	<b>1,097.39</b>	<b>134.62</b>	<b>40.48</b>	<b>1,191.53</b>

### 19 OTHERS FINANCIAL LIABILITIES (NON CURRENT)

	As at 31st March, 2020	As at 31st March, 2019
Security deposits	10.74	10.48
	<b>10.74</b>	<b>10.48</b>

### 20 PROVISION (NON CURRENT)

	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits		
Gratuity (refer note 48 )	45.82	40.01
Compensated absences (refer note 48 )	12.48	10.67
	<b>58.30</b>	<b>50.68</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 21 DEFERRED TAX LIABILITIES

(₹ in crore)

	As at 31st March, 2019	Recognised in P & L	Recognised in OCI	As at 31st March, 2020
Deferred tax liabilities / assets are attributable to the following items;				
<b>Deferred tax liabilities</b>				
Difference between books depreciation and tax depreciation	104.32	(13.48)	-	90.84
<b>Sub- (a)</b>	<b>104.32</b>	<b>(13.48)</b>	-	<b>90.84</b>
<b>Deferred tax assets</b>				
Disallowed under section 43B of the Income tax Act. on payment basis	20.32	1.38	0.69	22.39
Allowance for doubtful debts	4.06	(1.41)	-	2.65
Others	-	4.72	-	4.72
<b>Sub- (b)</b>	<b>24.38</b>	<b>4.69</b>	<b>0.69</b>	<b>29.76</b>
Net deferred tax liability (a-b)	79.94	(18.17)	(0.69)	61.08
<b>MAT Receivable - ( c )</b>	<b>26.83</b>	<b>(26.83)</b>		-
<b>Net deferred tax liability after MAT Receivable</b>	<b>53.11</b>	<b>8.66</b>	<b>(0.69)</b>	<b>61.08</b>

(₹ in crore)

Deferred tax liabilities	As at 1st April, 2018	Recognised in P & L	Recognised in OCI	As at 31st March, 2019
Deferred tax liabilities / assets are attributable to the following items;				
<b>Deferred tax liabilities</b>				
Difference between books depreciation and tax depreciation	103.29	1.03	-	104.32
<b>Sub- (a)</b>	<b>103.29</b>	<b>1.03</b>	-	<b>104.32</b>
<b>Deferred tax assets</b>				
Disallowed under section 43B of the Income tax Act. on payment basis	17.33	1.30	1.69	20.32
Allowance for doubtful debts	2.45	1.61	-	4.06
Others	-	-	-	-
<b>Sub- (b)</b>	<b>19.78</b>	<b>2.91</b>	<b>1.69</b>	<b>24.38</b>
<b>Net deferred tax liability (a-b)</b>	<b>83.51</b>	<b>(1.88)</b>	<b>(1.69)</b>	<b>79.94</b>

### 22 BORROWINGS (CURRENT)

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
<b>Secured</b>		
Loans repayable on demand		
From banks		
Rupee loans	584.48	796.67
Foreign currency loans	117.27	-
Commercial paper	60.00	-
	<b>761.75</b>	<b>796.67</b>

The above working Capital borrowings of ₹ 761.75 crore are secured against current assets both present and future and further secured by way of second charge on all Fixed Assets including equitable mortgage of Land and Building and personal guarantee of the Chairman of the Company. The Rupee Loans of ₹ 259.23 crore linked with MCLR of respective banks of which Interest ranging from 0 to 75 bps spread over MCLR, ₹ 325.25 crore linked with T-Bills of which Interest ranging from 7% to 7.30% and Commercial paper carrying interest rate of 6.90% and foreign currency loans carrying Interest rate of LIBOR + 175 to 200 bps spread.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 23 TRADE PAYABLES

		(₹ in crore)	
		As at 31st March, 2020	As at 31st March, 2019
	outstanding dues of micro enterprises and small enterprises	23.90	23.40
	outstanding dues other than micro enterprises and small enterprises	270.85	326.61
		<b>294.75</b>	<b>350.01</b>
I	The details of amounts outstanding to Micro, Small and Medium Enterprises based on available information with the group as under:		
I	The Principal amount and the interest due thereon remaining unpaid to any supplier.		
	Principal Amount :	30.90	36.59
	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.

### 24 OTHER FINANCIAL LIABILITIES (CURRENT)

		(₹ in crore)	
		As at 31st March, 2020	As at 31st March, 2019
	Current maturities of long-term borrowings (refer note 18)	58.58	60.01
	Interest accrued but not due on borrowings	0.37	2.45
	Unpaid dividends* (refer note 12)	0.42	0.43
	Forward Contract payable	-	0.67
	Payable to employees	35.91	33.93
	Expenses Payable	73.59	61.59
	Lease Liability (refer note 40)	12.94	-
		<b>181.81</b>	<b>159.08</b>

\* There are no amount due and outstanding to be credited to the investor education and protection fund as at 31st March, 2020

### 25 OTHER LIABILITIES (CURRENT)

		(₹ in crore)	
		As at 31st March, 2020	As at 31st March, 2019
	Advances from customers	22.69	28.83
	Statutory dues payables	9.40	12.36
		<b>32.09</b>	<b>41.19</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 26 PROVISIONS (CURRENT)

	As at 31st March, 2020	As at 31st March, 2019
(₹ in crore)		
Provision for employee benefits		
Gratuity (refer note 48)	6.86	5.55
Compensated absences (refer note 48)	3.07	2.41
	<b>9.93</b>	<b>7.96</b>
Other payables		
Warranty payable (refer note 43)	50.72	44.41
	<b>50.72</b>	<b>44.41</b>
	<b>60.65</b>	<b>52.37</b>

### 27 CURRENT TAX LIABILITIES

	As at 31st March, 2020	As at 31st March, 2019
(₹ in crore)		
Current tax liability (net)	-	1.56
	-	<b>1.56</b>

### 28 INCOME TAX

	As at 31st March, 2020	As at 31st March, 2019
(₹ in crore)		
<b>a Income tax recognised in profit or loss</b>		
Current tax expense		
Deferred tax expense	28.50	53.58
Origination and reversal of temporary differences	8.66	(1.88)
<b>Total tax expenses</b>	<b>37.16</b>	<b>51.70</b>
<b>b Reconciliation of effective tax rate</b>		
Profit before tax	139.37	172.58
Domestic tax rate	25.168%	34.944%
Tax using The Company's domestic tax rate	35.07	60.31
Increase / reduction in Taxes on account of		
Deduction / exemptions in taxable income	(0.13)	(9.50)
Other non deductible expenses	2.22	0.89
<b>Income tax expenses charged to statement of profit and loss</b>	<b>37.16</b>	<b>51.70</b>
<b>Effective tax rate</b>	<b>26.66%</b>	<b>29.96%</b>

Pursuant to the Taxation Law (Amendment) Ordinance 2019 tax rates have changed with effect from 1st April 2019 and accordingly the Company has exercised the option permitted under section 115BAA of the Income Tax Act 1961 for reduced tax rates. Accordingly tax expenses for the year ended has been accounted for, however in the previous year ended 31st March, 2019 the Company has taken deduction / exemption for the following:-

- Under section 80-IC of the Income-Tax Act on 30% Profits of eligible industrial undertakings at Kashipur, Uttarakhand
- Under section 32AD of the Income-Tax Act, 1961 @ 15% on the Plant & Machinery installed at newly set-up unit at Hindupur in the notified backward area of the state of Andhra Pradesh.
- Research and development expenditure @ 150% in accordance with the provisions of Section 35(2AB) of the Income-Tax Act, 1961.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 29 REVENUE FROM OPERATIONS

	(₹ in crore)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>a. Sale of products (Net of GST);</b>		
i. Steel pipe and strips	4,163.62	4,373.06
ii. Lighting and consumer durables	1,217.43	1,535.99
	<b>5,381.05</b>	<b>5,909.05</b>
Less Inter Segment Sales	9.47	3.35
	<b>5,371.58</b>	<b>5,905.70</b>
<b>b. Other operating revenue;</b>		
i. Investment promotion assistance (refer note no.44 )	50.70	34.34
ii. Export incentives and claims	40.36	34.62
	<b>91.06</b>	<b>68.96</b>
<b>c. Sale of services</b>	6.38	2.38
	<b>6.38</b>	<b>2.38</b>
	<b>5,469.02</b>	<b>5,977.04</b>

### 30 OTHER INCOME

	(₹ in crore)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a. Interest Income from financial assets	3.09	3.73
b. Profit on sale of property, plant and equipment	0.08	0.19
c. Miscellaneous income	0.18	0.19
	<b>3.35</b>	<b>4.11</b>

### 31 COST OF MATERIALS CONSUMED

	(₹ in crore)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
i. Steel pipe and strips		
a. Raw materials (Imported)	164.88	162.30
b. Raw materials (Indigenous)	3,405.52	3,544.56
ii. Lighting and consumer durables		
a. Raw materials (Imported)	170.90	170.09
b. Raw materials (Indigenous)	298.43	485.32
c. Packing materials consumed	37.31	43.97
	<b>4,077.04</b>	<b>4,406.24</b>
Less Inter Segment Consumption	9.47	3.35
	<b>4,067.57</b>	<b>4,402.89</b>



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 32 PURCHASE OF STOCK-IN-TRADE

(₹ in crore)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Lighting and consumer durables (outsourced)	262.96	288.60
	<b>262.96</b>	<b>288.60</b>

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

(₹ in crore)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Inventories at the end of the year</b>		
Finished goods	413.85	321.80
Work in Progress	148.21	144.05
	<b>562.06</b>	<b>465.85</b>
<b>Inventories at the beginning of the year</b>		
Finished goods (Net)	321.80	401.91
Work in Progress	144.05	102.82
	<b>465.85</b>	<b>504.73</b>
	<b>(96.21)</b>	<b>38.88</b>

### 34 EMPLOYEE BENEFIT EXPENSES

(₹ in crore)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a. Salaries, wages and bonus	283.56	274.47
b. Contribution to provident and other funds	13.66	13.22
c. Staff welfare expenses	6.58	6.04
	<b>303.80</b>	<b>293.73</b>

### 35 FINANCE COST

(₹ in crore)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a. Interest expenses	107.84	107.36
b. Interest on Lease Liabilities	1.56	-
c. Other borrowing cost	4.71	7.71
	<b>114.11</b>	<b>115.07</b>

### 36 DEPRECIATION AND AMORTISATION EXPENSES

(₹ in crore)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a. Depreciation (refer note 5)	97.08	88.51
b. Amortisation of Right-of-Use Assets (refer note 5)	6.39	-
	<b>103.47</b>	<b>88.51</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 37 OTHER EXPENSES

	(₹ in crore)	
	<b>For the year ended 31st March, 2020</b>	<b>For the year ended 31st March, 2019</b>
a. Consumption of stores and spares	37.82	34.17
b. Power, fuel and water charges	104.95	87.41
c. Repairs and maintenance :		
- plant and machinery	2.53	2.31
- buildings	1.06	0.78
- others	1.21	1.12
d. Product warranties	51.26	79.90
e. Sales promotion expenses	33.21	35.49
f. Commission on sales	18.45	10.48
g. Advertisement and publicity	15.64	16.15
h. Freight and forwarding expenses	191.88	185.85
i. Allowance for doubtful debts / bad debts W/off	2.64	5.12
j. Rent (Refer Note No. 40)	3.28	11.89
k. Rates and taxes	0.23	0.34
l. Insurance	2.54	2.37
m. Postage, telegraph and telephone	2.36	2.24
n. Travelling and conveyance	24.52	23.93
o. Loss on discard / disposal of property, plant and equipment	0.11	0.22
p. Corporate social responsibility expenses (Refer Note No. 41)	3.02	2.57
q. Legal and professional expenses	3.45	3.93
r. Auditor's remuneration		
for audit	0.15	0.13
for tax audit	0.06	0.06
for certification work	0.03	0.05
for reimbursement of out of pocket expenses	0.01	-
s. Miscellaneous expenses	76.89	74.38
	<b>577.30</b>	<b>580.89</b>

### 38 OTHER COMPREHENSIVE INCOME

	(₹ in crore)	
	<b>For the year ended 31st March, 2020</b>	<b>For the year ended 31st March, 2019</b>
i. Items that will not be reclassified to profit or loss		
- Remeasurements of the defined benefit plans	(2.76)	(4.84)
ii. Income tax relating to items that will not be reclassified to profit or loss		
- Related to remeasurements of the defined benefit plans	0.69	1.69
	<b>(2.07)</b>	<b>(3.15)</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 39 EARNING PER SHARE

		For the year ended 31st March, 2020	For the year ended 31st March, 2019
The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:			
A	Issued equity shares	No's	5,44,08,974
	Weighted average equity shares outstanding - Basic and		
B	Diluted	No's	5,44,08,974
C	Net profit after tax	₹ in crore	102.21
	Basic Earning per equity share ( C/B)	Per / ₹	18.78
	Diluted Earning per equity share ( C/B)	Per / ₹	18.78
	Face Value per Equity Share	₹	10.00

### 40 LEASES

The Company has adopted Ind AS 116 "Leases" effective April 1, 2019 and applied the standard to its Leases using the modified retrospective approach., where in the comparatives for the earlier years have not been retrospectively adjusted. On transition, to the new standards Right-of-Use Asset of ₹15.08 crore have been recognised and an equal amount of lease liability has been accounted for.

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

		For the year ended 31st March, 2020	For the year ended 31st March, 2019
(₹ in crore)			
i	Increase in Lease Liability by	12.94	-
ii	Increase in Rights of use by	11.92	-
iii	Increase/(Decrease) in Finance cost by	1.56	-
iv	Increase/(Decrease) in Depreciation and Amortisation expenses by	6.39	-
v	Increase/(Decrease) in Rental expenses by	(6.93)	-
<b>Carrying value of right- of- use assets at 31st March</b>			
	Balance at 1st April	15.08	-
	Increase in rights of use during reporting period	3.23	-
	Depreciation charged for the year	6.39	-
	Balance at end of the reporting period	11.92	-
<b>Carrying values of lease liabilities</b>			
	Total undiscounted lease liabilities at 31st March	15.14	-
	Less: Future Finance Cost	2.20	-
	<b>Total discounted lease liabilities at 31st March</b>	<b>12.94</b>	<b>-</b>
<b>Amounts recognised in profit or loss</b>			
	Interest on lease liabilities	1.56	-
	Amortisation of Right of-Use Assets	6.39	-

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 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, 2020	For the year ended 31st March, 2019
A	Gross amount required to be spent by the Company during the year	3.02	2.57
B	Amount spent during the year		-
i	Construction/ acquisition of asset	NIL	Nil
ii	On purpose other than (i) above –	NIL	Nil
	(a) Rural Development	2.64	2.04
	(b) Naturopathy	0.23	0.41
	(c) Other administrative expenses	0.15	0.12
		<b>3.02</b>	<b>2.57</b>

### 42 CONTINGENT LIABILITIES

		(₹ in crore)	
		As at 31st March, 2020	As at 31st March, 2019
<b>I</b>	<b>Guarantees</b>		
	Bank Guarantees issued by banks for which counter guarantee given by the Company	425.68	386.78
<b>II</b>	<b>Other contingent liabilities</b>		
a)	Export obligation under EPCG Scheme		
	Bonds given to customs of ₹ 3.26 crores (₹ 16.10 crores in previous year)		
	(Duty involved on imports made by the Company)	1.64	6.39
b)	Estimated amount of contract remaining to be executed on capital account and not provided for	10.13	8.60
c)	Claims against The Company not acknowledged as debt	4.79	3.34

#### III Entry of Goods into Local Area Act, 2008 :

The Haryana Government levied Local Area Development Tax (The LADT Act) w.e.f. 5th May, 2000, which was declared ultra vires by the Hon'ble Punjab & Haryana High Court on 14th March, 2007. Later on, the Haryana Government has repealed the LADT Act w.e.f. 8th April, 2008 and introduced in its place 'The Haryana Tax on Entry of Goods in to Local Areas Act, 2008' (Rules not notified), which was also held ultra vires by the Hon'ble High Court on 1st October, 2008. Both these Acts were declared unconstitutional on the ground of non-compensatory. Subsequently, on the SLP of the Haryana Government, the Hon'ble Supreme Court Constitutional Bench vide its judgment dated 11th November, 2016 held the applicability of entry tax valid on compensatory ground. However, directed its Divisional Bench for examining the provisions on the issue of discrimination, local area etc. The Divisional Bench remanded back the matters to the Hon'ble Punjab & Haryana High Court on 21st March, 2017 with a direction to file fresh writ petitions in this regard for factual backgrounds and other constitutional statutory issues.

Accordingly The Company has filed fresh writ petition on 27-05-2017 on the issues left open and the Hon'ble High Court issued order for stay of demand on 31-05-2017 and proceedings are undergoing with the Hon'ble High Court. As neither the Rules of the said Act of 2008 were notified nor the same can be formulated since the powers under Entry 52 of the Constitution has been withdrawn by amendment in the constitution of india as on 31st March, 2020. Now since the power given, we have also revised our Writ petition on 25th September, 2018 wherein reference based on judgment of Hon'ble High court in CWP No. 20788 of 2015 in which it was decided that in absence of machinery provisions, Act can't be operated. In view of above and based on the facts of our case and consultations made by The Company, a sum of ₹ 33.97 crore (₹ 33.97 crore as on 31st March, 2019) excluding interest has been considered as contingent liability. Accordingly, no provision has been made in accounts.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### IV Income Tax Act.

In respect of Income-tax assessments of The Company (for the financial 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

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
<b>Movement in warranty provision during the financial year are provided below:</b>		
Opening Balance	44.41	26.44
Provision Made	51.26	79.90
Utilised during the year	44.95	61.93
Closing Balance	50.72	44.41

The Company gives warranties on certain products, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of expected cost of meeting such obligation on account of repair/ replacement. It is expected that significant portion of these cost is to be incurred within a period of two years.

### 44 GOVERNMENT GRANTS (INVESTMENT PROMOTION ASSISTANCE)

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

The Company has made investment of ₹ 122.11 crores and ₹ 82.64 crores for establishing manufacturing facilities at Malanpur, a notified backward district of Madhya Pradesh, in the eligible investment period as per the provisions of Madhya Pradesh Industrial Investment Promotion Assistance Scheme- 2004 and 2010 respectively. The Company has been eligible for capital linked grant (to the extent of aforesaid capital investment on satisfying the conditions) up to 27th March, 2020 & 1st March, 2025 respectively.

On GST implementation, the State Government has revised the policy by which The Company continues to be eligible for the said periodical assistance. Accordingly, grants of ₹ 33.78 crores has been accounted as other operating revenue during the current year (₹ 23.22 crores in previous year). The cumulative recognised grants are of ₹ 109.26 crores up to 31st March, 2020 (₹ 75.48 crores up to 31 March 2019), out of which ₹ 73.79 crores remained outstanding as at 31st March, 2020.

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

The Company has made an investment of ₹ 62.64 crores for establishing manufacturing facilities at Hindupur, a notified backward district of Andhra Pradesh, during the eligible investment period, as per the provisions of Andhra Pradesh Industrial Investment Policy (IDP) 2015-2020. The Company has been eligible for Capital linked grant (to the extent of aforesaid capital investment) by way of 50% reimbursement of VAT/CST/SGST paid during the period of 7 years and partial reimbursement of power cost @ Re 1.00 per unit, up to 29th February 2022, on satisfying the conditions mentioned under the scheme.

The Company has recognised grants towards VAT/CST/SGST of ₹ 8.40 crores during the current year (₹ 6.29 crore in previous year) as other operating revenue. The grant receivable in the form of reimbursement of Power Cost of ₹ 0.94 crores during the year (0.76 crores during the previous year) has been netted from the power cost. The Cumulative recognised grants are of ₹ 19.78 crores up to 31st March, 2020 (₹10.44 crore up to 31st March, 2019), which remained outstanding as at 31st March, 2020.

#### c Gujarat Industrial Policy 2015

The Company has made an investment of ₹ 66.60 crores for 3LPE Coated pipe manufacturing unit at Anjar, Kutch, Gujarat, during the eligible investment period, as per the provisions of Gujarat State Industrial Investment Policy 2015. The Company has been eligible for Capital linked grant (to the extent of aforesaid capital investment) by way of 70% reimbursement of SGST paid during the period of 10 years upto 4th Nov 2028, on satisfying the conditions mentioned under the scheme.

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

The Company has recognised grants towards SGST of ₹ 4.25 crores during the current Financial year ( Previous Year- NIL) as other operating revenue. which remained outstanding as at 31st March, 2020.

### d GST Reimbursement against Excise Exemption

The Company's manufacturing unit at Mahuakheraganj, Uttarakhand was under area based excise exemption scheme vide Notification No.50/2003 Dated.10.06.2003 for the period up to 14 December 2019. Accordingly, the products manufactured by The Company were exempted from the payment of excise duty up to 30th June, 2017 and on implementation of GST w.e.f 1st July, 2017, The Company is eligible for the grant for compensating the earlier benefit of excise exemption by way of reimbursement of GST for which required application/ representations have been made. Based on the benefits available under the erstwhile excise exemption scheme, and the scheme announced and the representation made, The Company is entitled for similar benefits under GST regime. Accordingly income of ₹ 4.27 crores recognised as other operating revenue during the current year (₹ 4.83 crores in previous year). The cumulative recognised Grant are of ₹ 12.70 crores up to 31st March, 2020 (₹ 8.41 crores in previous year) out of which ₹ 10.62 crores remained outstanding as at 31 March 2020 towards reimbursement of GST paid by the unit.

### 45 CURRENT-TAX RATES

Pursuant to the Taxation Laws (Amendment) Act, 2019, tax rates have changed w.e.f. from 1st April, 2019, and accordingly, The Company has exercised the option permitted under Section 115BAA of the Income-Tax Act, 1961 for reduced tax rates. Accordingly current tax expenses have been accounted for.

### 46 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, Orissa (DMA) 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 (CIN –U31200DL2019PLC344720) on 21st January, 2019 vide Certificate of Incorporation dated 23rd January, 2019.

The Company has executed Supply Installation Operation and Maintenance (SIOM) Agreement on 29th December 2018 with the DMA and 21 Urban Local Bodies. As per terms of SIOM, The Company had executed shareholder agreement with the SPV Company on 30th August 2019 and Novation agreement with the DMA and the SPV company. The Company has committed the funding requirement of SPV for project completion including enhancement in the value of project. The Company has also committed to compensate the losses/ damages, if any.

### 47 PRE-OPERATIVE EXPENSES CAPITALISED DURING THE YEAR:

The Company has incurred capital expenditure for establishing on 3 LPE coating unit at Anjar (Gujarat) , wherein following pre-operative expenses are capitalised

	(₹ in crore)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Raw materials consumed	Nil	6.73
Employee benefits	Nil	1.57
Borrowing cost	Nil	2.58
Other expenses	Nil	-
Power charges	Nil	2.36
Outward freight	Nil	0.15
Others	Nil	0.65
<b>Total</b>	<b>Nil</b>	<b>14.04</b>
Less: Realisation	Nil	10.54
<b>Total</b>	<b>Nil</b>	<b>3.50</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 48 EMPLOYEE BENEFITS

Disclosures pursuant to Ind AS -19 "Employee Benefits" (Specified under the section 133 of the Companies Act 2013 (the Act) read with Companies (Indian Accounting Standards) Rule 2015 ( as amended from time to time) and other relevant provision of the Act) are given below

**Contribution to Defined Contribution Plan, recognised as expenses are as under :**

	Year Ended	
	31st March, 2020	31st March, 2019
Employer's Contribution to defined contribution plans	13.66	13.22

(₹ in crore)

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

	Valuation as at	
	31st March, 2020	31st March, 2019
Attrition rate for various ages in %	1.00 to 5.00	1.00 to 5.00
Discount Rate in %	6.80	7.66
Expected Rate of increase in salary in %	5.35	5.75
Mortality rate - Inclusive of provision for disability	IALM 2012-14	IALM 2006-08
Expected Average remaining working lives of employees (years)	15.71	16.30

- a) Discount rate is based on the prevailing market yields of Indian Government securities as at the balances sheet date for the estimated term of obligations.
- b) The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

#### II Movement in Obligation

Particulars	(₹ in crore)			
	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	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>	45.57	13.08	38.60	11.47
Current Service cost	3.77	1.89	3.37	1.72
Past Service Cost including curtailment Gain/Losses	-	-	-	-
Interest cost	3.49	1.00	2.99	0.89
Benefits paid	(2.89)	(1.01)	(4.24)	(3.01)
Actuarial loss / (gain) arising from changes in Demographic assumptions	(0.01)	-	-	-
Actuarial loss / (gain) arising from changes in Financial assumptions	1.90	0.60	0.26	0.08
Actuarial loss / (gain) arising from experience adjustment	0.87	(0.01)	4.58	1.93
<b>Present value of obligation as at the end of the period</b>	<b>52.70</b>	<b>15.55</b>	<b>45.56</b>	<b>13.08</b>

#### III Amount recognised in the statement of Profit and Loss:

Particulars	(₹ in crore)			
	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current Service cost	3.77	1.89	3.37	1.72
Interest cost	3.49	1.00	2.98	0.89
Remeasurement - Actuarial loss/(gain)	-	0.59	-	2.01
<b>Expenses recognised in the statement of Profit and Loss</b>	<b>7.26</b>	<b>3.48</b>	<b>6.35</b>	<b>4.62</b>

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### IV Component of defined benefit costs recognised in other comprehensive income

(₹ in crore)

	Gratuity	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Actuarial loss / (gain) arising from changes in demographic assumptions	(0.01)	-
Actuarial loss / (gain) arising from changes in Financial assumptions	1.90	0.26
Actuarial loss / (gain) arising from experience adjustment	0.87	4.58
Actuarial loss / (gain) arising on plan asset	-	-
<b>Component of defined benefit costs recognised in other comprehensive income</b>	<b>2.76</b>	<b>4.84</b>

### V Current and non-current provision for Gratuity and Compensated absences

(₹ in crore)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current provision	6.86	3.07	5.55	2.41
Non-current provision	45.82	12.48	40.01	10.67
<b>Total provision</b>	<b>52.68</b>	<b>15.55</b>	<b>45.56</b>	<b>13.08</b>

### VI Maturity profile of Defined Benefit Obligation are as under :-

(₹ in crore)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Gratuity	Compensated absences	Gratuity	Compensated absences
0 to 1 Year	6.86	3.07	5.54	2.41
1 to 5 Years	10.72	2.35	6.97	2.25
5 Year Onwards	35.12	10.13	33.06	8.42

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

(₹ in crore)

	Gratuity	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
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 analyses below have been determined based on reasonably possible changes of respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

(₹ in crore)

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	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	(4.06)	(1.29)	(3.64)	(1.16)
One percentage point decrease in discount rate	4.68	1.50	3.91	1.30
One percentage point increase in salary growth rate	4.70	1.51	3.96	1.31
One percentage point decrease in salary growth rate	(4.15)	(1.32)	(3.72)	(1.17)
One percentage point increase in attrition rate	0.42	0.14	0.98	0.36
One percentage point decrease in attrition rate	(0.47)	(0.16)	(1.04)	(0.40)

### Note :

- The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet.
- There was no change in the method and assumptions used in preparing the sensitivity analysis from prior years.

## 49 RELATED PARTY TRANSACTIONS

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

### List of related parties

#### 1 Related parties where control exists.

Subsidiary Company

Surya Roshni LED Lighting projects Limited (Wholly owned subsidiary) company incorporated on 21st January, 2019

#### 2 Key Management Personnel

S.No.	Name	Designation
1	Mr. Jai Prakash Agarwal	Executive Chairman
2	Mr. Raju Bista	Managing Director
3	Mr. Vinay Surya	Whole Time Director
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	Independent Director
8	Mr. Tara Sankar 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	Mr. R.N. Maloo	ED & Group CFO
13	Mr. Ramanjit Singh	CEO-Lighting Operations
14	Mr. Tarun Baldua	CEO- Steel Operations
15	Mr. B B Singal	Sr. VP & Company Secretary

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

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

S.No.	Name of Relatives	Relationship
1	Mr. Rajesh Bista	Brother of Mr. Raju Bista
2	Mrs. Puja Surya	Spouse of Mr. Vinay Surya
3	Master Jaivardhan Surya	Son of Mr. Vinay Surya
4	Ms. Parinistha Surya	Daughter of Mr. Vinay Surya
5	Ms. Vasudha Surya	Daughter of Mr. Vinay Surya

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

#### i With the Subsidiary Company

- Surya Roshni LED Lighting projects Limited

(₹ in crore)			
S.No.	Nature of transaction/ relationship	For the year ended 31st March, 2020	For the year ended 31st March, 2019
i	Sales of Goods and others	6.01	2.00
ii	Investment made in Equity Shares	3.80	0.05
iii	Payment made on their behalf	-	0.22
iv	<b>Balances at year end</b>		
	Receivables	5.75	2.36
	Other recoverable	-	0.22

#### ii Compensation of Key Management Personnel of the Company

(₹ in crore)			
S.No.	Nature of transaction/ relationship	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a)	Short Term Benefit (See notes below)	12.79	13.09
b)	Directors commission	3.49	4.32
	<b>Total Short-Term benefits</b>	<b>16.28</b>	<b>17.41</b>
c)	Director sitting Fee's	0.24	0.21

#### Notes:

- Short-term benefits comprises the expenses recorded under the head employee benefit expenses (eg. Salary and wages, contribution to provident fund, NPS, Leave encashment payments, and taxable value of perquisites etc..)
- The liability for gratuity and compensated absences are provided on actuarial basis 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.

(₹ in crore)			
S.No.		For the year ended 31st March, 2020	For the year ended 31st March, 2019
iii	<b>Loan given to Key Management Personnel</b>		
	Transaction during the year - Loan given / (repaid)	(0.19)	0.36
	Balance at year end	-	0.19
iv	<b>Dividend paid to Key Management Personnel</b>	0.43	0.43
v	<b>Payment of Salaries and perquisites to relatives of Key Management Personal</b>	0.40	0.34
vi	<b>Dividend paid to relatives of Key Management Personnel</b>	0.11	0.11

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

Disclosure under Regulation 53(f) and 34(3) read together with Para A Schedule V of Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### Loans and Advances in the nature of loans given to Subsidiary:

#### Surya Roshni LED Lighting Projects Limited

Particulars	(₹ in crore)	
	Amount Outstanding as at the year end	Maximum Principal Amount Outstanding during the year (excluding interest accrued)
	31st March, 2020	ending 31st March, 2020
Investment	3.85	3.85
Advance Recoverable	-	0.22

Particulars	(₹ in crore)	
	Amount Outstanding as at the year end	Maximum Principal Amount Outstanding during the year (excluding interest accrued)
	31st March, 2019	ending 31st March, 2019
Investment	0.05	0.05
Advance Recoverable	0.22	0.22

## 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, 2020 (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, 2020	For the year ended 31st March, 2019
<b>Segment revenue</b>	Steel Pipe and Strips	4,234.66	4,426.70
	Lighting and consumer durables	1,243.83	1,553.69
		<b>5,478.49</b>	<b>5,980.39</b>
Less : Inter Segment revenue		9.47	3.35
		<b>5,469.02</b>	<b>5,977.04</b>
<b>Segment profit</b> (earning before interest and taxes)	Steel Pipe and Strips	182.03	161.15
	Lighting and consumer durables	71.45	126.50
		<b>253.48</b>	<b>287.65</b>
Finance costs		114.11	115.07
<b>Profit before tax</b>		<b>139.37</b>	<b>172.58</b>
Tax expense		37.16	51.70
<b>Profit after tax</b>		<b>102.21</b>	<b>120.88</b>

#### II. Segment Assets and Liabilities

		(₹ in crore)	
Particulars		As at 31st March, 2020	As at 31st March, 2019
Segment assets	Steel Pipe and Strips	1,989.72	1,889.38
	Lighting and consumer durables	971.62	1,112.28
	<b>Total Segment assets</b>	<b>2,961.34</b>	<b>3,001.66</b>
Unallocated assets		8.81	27.10
		<b>2,970.15</b>	<b>3,028.76</b>
Segment liabilities	Steel Pipe and Strips	276.65	371.02
	Lighting and consumer durables	303.11	232.78
	<b>Total Segment Liabilities</b>	<b>579.76</b>	<b>603.80</b>
Unallocated Liabilities		1,151.44	1,273.03
		<b>1,731.20</b>	<b>1,876.83</b>

#### Notes :

- I Unallocated assets are comprises of MAT and income tax refundable.
- II Unallocated liabilities are comprises borrowings, provision for income tax, deferred tax etc.

#### III. Other segment information

		(₹ in crore)	
Particulars		For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cost incurred on acquisition of Property Plant Equipment	Steel Pipe and Strips	37.89	88.47
	Lighting and consumer durables	12.98	19.93
		<b>50.87</b>	<b>108.40</b>
Depreciation and amortisation expense of Property Plant and equipment	Steel Pipe and Strips	73.71	65.73
	Lighting and consumer durables	23.37	22.78
		<b>97.08</b>	<b>88.51</b>

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 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, 2020	For the year ended 31st March, 2019
India	4,542.84	5,143.22
Outside India	926.18	833.82
<b>Total</b>	<b>5,469.02</b>	<b>5,977.04</b>

#### b. Non-current assets

		(₹ in crore)	
Particulars		As at 31st March, 2020	As at 31st March, 2019
Non-Current Assets	Within India	1,132.77	1,166.51
	Outside India	Nil	Nil
		<b>1,132.77</b>	<b>1,166.51</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, 2020	As at 31st March, 2019
Dividend proposed for Equity shareholders @ ₹ 2.00 per share (previous year ₹ 2.00 per share)		10.88	10.88
Dividend Distribution Tax		Nil	2.24

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on March 11, 2020. Consequent to this, Government of India declared lockdown on 24-03-2020 which has impacted the business activities of the Company. On account of this, The Company has prepared cash flow projections and also, assessed the recoverability of receivables and contract assets using the various internal and external information up to the date of approval of these financial statements. On the basis of evaluation and current indicators of future economic conditions, The Company expects to recover the carrying amount of these assets and does not anticipate any impairment to these financial and non-financial assets. The Company will continue to closely monitor any material changes to future economic conditions.

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, 2020 (Contd.)

### 52 FINANCIAL INSTRUMENTS

#### Fair value of financial assets and liabilities

The carrying value and fair value of financial assets and liabilities by categories were as follows:

#### As at 31st March, 2020

(₹ in crore)				
S. No.	Particulars	Amortised cost	Fair value (Level 2)	Total carrying value
<b>Assets:</b>				
i	Cash and cash equivalents	1.00	-	1.00
ii	Bank Balances other than (ii) above	0.58	-	0.58
iii	Trade receivables	697.81	-	697.81
iv	Other financial assets	70.27	-	70.27
	<b>Total</b>	<b>769.66</b>	<b>-</b>	<b>769.66</b>
<b>Liabilities:</b>				
i	Non Current Borrowings	328.61	-	328.61
ii	Current Borrowings	761.75	-	761.75
iii	Trade payables	294.75	-	294.75
iv	Other financial liabilities	133.97	-	133.97
	<b>Total</b>	<b>1,519.08</b>	<b>-</b>	<b>1,519.08</b>

#### As at 31st March, 2019

(₹ in crore)				
S. No.	Particulars	Amortised cost	Fair value (Level 2)	Total carrying value
<b>Assets:</b>				
i	Cash and cash equivalents	1.63	-	1.63
ii	Bank Balances other than (ii) above	0.43	-	0.43
iii	Trade receivables	837.68	-	837.68
iv	Other financial assets	84.51	-	84.51
	<b>Total</b>	<b>924.25</b>	<b>-</b>	<b>924.25</b>
<b>Liabilities:</b>				
i	Non Current Borrowings	394.86	-	394.86
ii	Current Borrowings	796.67	-	796.67
iii	Trade payables	350.01	-	350.01
iv	Other financial liabilities	108.88	0.67	109.55
	<b>Total</b>	<b>1,650.42</b>	<b>0.67</b>	<b>1,651.09</b>

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.

## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 53 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The Company's risk management policies are established to identify and analyse the risks faced by The Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and The Company's activities. The Audit Committee oversees how management monitors compliance with The Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by The Company's. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The Company is exposed to financial market risk, credit risk and liquidity risk.

#### I Financial Market risk

Financial market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of financial instrument. The value of a financial instrument may change as a result of change in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency trade receivables, trade payables and borrowings.

##### a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. In order to optimize The Company's position with regards to interest and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate with reset clause and floating rate financial instruments in its total portfolio. The borrowings of The Company are on floating interest rate along with periodical interest reset.

The Company is not exposed to significant interest rate risk at the respective reporting dates. With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings are taken.

(₹ in crore)

Interest rate sensitivity	Effect on profit before tax	
	Decrease by 50 basis point	Increase by 50 basis point
<b>For the year ended 31st March, 2020</b>	5.45	(5.45)
For the year ended 31st March, 2019	5.96	(5.96)

##### b Foreign currency risk

The Company transacts business primarily in Indian Rupee, USD and Pound sterling (GBP). The Company has taken foreign currency loans and has trade payables as well as receivables in foreign currency. The Company evaluates foreign currency exposure time to time and follows established risk management policies by taking foreign exchange forward contracts mostly with a maturity less than one year from the reporting date. The Company do not use derivate financial instrument for trading or speculation purpose to hedge exposure of foreign currency risk.

The particulars of foreign exchange forward contract taken are given below

	Type	No. of Contract	USD (million)	Equivalent (₹ In crore)
<b>As at 31st March, 2020</b>	Sell	15	13.61	102.96
	Buy	75	50.55	382.51
As at 31st March, 2019	Sell	11	8.58	59.32
	Buy	37	52.32	361.79

The net exposure of foreign currency payments of forward contracts towards pending export/import orders in hands stands at USD 7.74 million (Previous year USD 1.92 million)

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### II Credit risk

Credit risk is the risk of financial loss to The Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from The Company's receivables from customers and cash and cash equivalents. To manage this, The Company periodically assesses the financial risk limits of the customers, taking into account the payment behaviour, aging of outstanding, credit ratings, current economic trends, and analysis of historical bad debts further the Company makes provision on trade receivables based on Expected Credit loss (ECL) method based on provision matrix.

#### Trade Receivable

The Company's exposure to credit risk is influenced by the individual characteristics of each customer, Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which The Company grants credit terms in the normal course of business. The Company has a detailed review mechanism of overdue trade receivables at various levels in the organisation to ensure proper attention and focus on realisation.

Summary of The Company's exposure to credit risk by age of the outstanding from various customers is as follows:

Particulars	(₹ in crore)	
	As at 31st March, 2020	As at 31st March, 2019
Not past due	356.77	639.87
1-180 days past due	275.89	155.13
181-365 days past due	30.04	13.88
More than one year	35.11	28.80
	<b>697.81</b>	<b>837.68</b>

#### 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, 2020	As at 31st March, 2019
Opening Balances	11.69	7.08
Add : Impairment loss recognised / reversed	1.73	4.68
Less : Write off of bad debts	7.34	0.07
<b>Closing balance</b>	<b>6.08</b>	<b>11.69</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.



## NOTES TO STANDALONE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### III Liquidity risk

Liquidity risk is defined as the risk that The Company will not be able to settle or meet its obligations on time or at a reasonable price. The Company's finance department manage the liquidity through verity of sources of borrowings, by ensuring sufficient liquidity to meet its liabilities when due, under all circumstances, without incurring unacceptable losses or risk to The Company's reputation. The current committed borrowing limit are sufficient to meet its requirement. The Company monitor rolling forecast for its liquidity requirements.

#### Maturity profile of financial liabilities

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

(₹ in crore)			
As at 31st March, 2020	Less than 1 year	Above 1 year	Total
Non Current Borrowings	58.58	270.03	328.61
Current Borrowings	761.75	-	761.75
Trade payables	294.75	-	294.75
Other financial liabilities	133.97	-	133.97
<b>Total</b>	<b>1,249.05</b>	<b>270.03</b>	<b>1,519.08</b>
<b>As at 31st March, 2019</b>			
Non Current Borrowings	60.01	334.85	394.86
Current Borrowings	796.67		796.67
Trade payables	350.01		350.01
Other financial liabilities	109.55		109.55
<b>Total</b>	<b>1,316.24</b>	<b>334.85</b>	<b>1,651.09</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 maximize shareholder value. The Board of Directors monitors the return on capital, dividend to shareholders, maintain balance between capital and borrowing in the light of changes in economic environment and the business requirements. In order to achieve this overall objective, The Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings

Further The Company monitors capital using gearing ratio, which is net debt divided by Equity and net debt. as under: -

(₹ in crore)		
Particulars	As at 31st March, 2020	As at 31st March, 2019
Debt (consist of long term and short term borrowings refer note 18 and 22)	1,090.36	1,191.53
Less: Cash and cash equivalents	1.00	1.63
Net Debt	1,089.36	1,189.90
Equity	1,238.95	1,151.93
Equity and Net Debt	2,328.31	2,341.83
Gearing ratio in %	46.79%	50.81%

# NOTES TO STANDALONE FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

**55** The Company has perpetual system of balance confirmation and reconciliation of Trade receivables and Trade payables, however at year end some of the balances remain subject to confirmation and reconciliation.

**56** Previous reported/ year figures have been regrouped/restated wherever necessary

**57** Approval of financial statements

The financial statements were approved for issue by the Board of Directors on 25th June, 2020

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)

**Ramanjit Singh**  
CEO (Lighting Operations)

**R N Maloo**  
Executive Director  
& Group Chief Financial Officer

**J P Agarwal**  
Chairman  
DIN: 00041119

**CA Ashok Kumar**  
Partner FCA  
Membership No. 17644

**Tarun Baldua**  
CEO (Steel Operations)

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

**Raju Bista**  
Managing Director  
DIN: 01299297

Place : New Delhi  
Dated : 25th June, 2020

## 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 2020, and the Consolidated Statement of Profit and Loss (including Other Comprehensive Income) , the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended ('Ind AS') , and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group as at 31st March, 2020, and their consolidated profit, their consolidated total comprehensive income, their consolidated cash flows and their consolidated changes in equity for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing specified under section 143 (10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibility for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the consolidated financial statements.

#### Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

S. No. Key Audit Matters	Auditor's Response
<p>1. <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 ₹ 50.72 crore as on 31st March, 2020.</p> <p>Refer Note 42 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant

to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Parent/ Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the management either intends to liquidate or cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are also responsible for overseeing the financial reporting process of the Group.

## AUDITOR'S RESPONSIBILITY FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit

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

procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Parent/ Holding Company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the consolidated financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the consolidated financial statements.

We communicate with those charged with governance of the Parent/ Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit of the aforesaid consolidated financial statements.
  - b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books
  - c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements.
  - d) In our opinion, the aforesaid consolidated financial statements comply with the Ind AS specified under Section 133 of the Act.
  - e) On the basis of the written representations received from the directors of the Parent/ Holding Company as on 31st March, 2020 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

# INDEPENDENT AUDITORS' REPORT

## TO THE MEMBERS OF SURYA ROSHNI LIMITED (Contd.)

March, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.

- f) With respect to the adequacy of the internal financial controls over financial reporting and the operating effectiveness of such controls, refer to our separate Report in "**Annexure A**". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting of those companies.
- g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Parent/ Holding Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the

best of our information and according to the explanations given to us:

- i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group. – Refer Note No. 41 to the consolidated Financial Statements.
- ii. The Group did not have any material foreseeable losses on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Parent/ Holding Company.

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

**(CA. Ashok Kumar)**

**Partner, F.C.A**

**Membership No. 017644**

**UDIN: 20017644AAAAAX4948**

**Place: New Delhi**

**Date: 25th June, 2020**

## **"ANNEXURE A" TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SURYA ROSHNI LIMITED.**

### **Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act") as referred to in paragraph 1(f) of 'Report on Other Legal and Regulatory Requirements' section**

We have audited the internal financial controls over financial reporting of **SURYA ROSHNI LIMITED** ("the Parent"/ "the Holding Company") and its subsidiary as of March 31, 2020 in conjunction with our audit of the consolidated financial statements of the Company for the year ended on that date.

### **MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS**

The Board of Directors of the Company and its subsidiary are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **AUDITORS' RESPONSIBILITY**

Our responsibility is to express an opinion on the internal financial controls over financial reporting of company and its subsidiary based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing, prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

### **MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

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

## **“ANNEXURE A” TO THE INDEPENDENT AUDITOR’S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF SURYA ROSHNI LIMITED. (CONTD.)**

### **INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING**

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

### **OPINION**

In our opinion, the Company and its subsidiary have, in all material respects, an adequate internal financial controls

system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2020, based on the internal control over financial reporting criteria established by the respective companies considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

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

**Membership No. 017644  
UDIN: 20017644AAAAAX4948**

**Place: New Delhi**

**Date: 25th June, 2020**



## CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2020

Particulars		Note No.	As at 31st March, 2020	As at 31st March, 2019
(₹ in crore)				
<b>I ASSETS</b>				
<b>1</b>	<b>Non-current assets</b>			
a	Property, plant and equipment	5	1,049.20	1,088.58
b	Capital work-in-progress	5	14.99	24.57
c	Other Intangible assets	5	11.92	-
d	Financial assets			
i	Other financial assets	6	33.47	46.06
e	Other non-current assets	7	20.00	7.25
			<b>1,129.58</b>	<b>1,166.46</b>
<b>2</b>	<b>Current assets</b>			
a	Inventories	8	917.51	845.53
b	Financial assets			
i	Trade receivables	9	696.07	835.32
ii	Cash and cash equivalents	10	1.01	1.64
iii	Bank balances other than (ii) above	11	0.58	0.43
iv	Other financial assets	12	37.46	38.23
c	Current tax assets (net)	13	8.81	0.27
d	Other current assets	14	180.00	140.79
			<b>1,841.44</b>	<b>1,862.21</b>
	<b>Total Assets</b>		<b>2,971.02</b>	<b>3,028.67</b>
<b>II EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
	Equity share capital	15	54.41	54.41
	Other equity	16	1,184.81	1,097.45
			<b>1,239.22</b>	<b>1,151.86</b>
<b>LIABILITIES</b>				
<b>1</b>	<b>Non-current liabilities</b>			
a	Financial liabilities			
i	Borrowings	17	270.03	334.85
ii	Other financial liabilities	18	10.74	10.48
b	Provisions	19	58.30	50.68
c	Deferred tax liabilities (net)	20	61.08	79.91
			<b>400.15</b>	<b>475.92</b>
<b>2</b>	<b>Current liabilities</b>			
a	Financial liabilities			
i	Borrowings	21	761.75	796.67
ii	Trade payables			
A)	Total outstanding dues of micro enterprises and small enterprises;	22	23.90	23.40
B)	Total outstanding dues of creditors other than micro enterprises and small enterprises;	22	271.21	326.61
iii	Other financial liabilities	23	181.83	159.09
b	Other current liabilities	24	32.10	41.19
c	Provisions	25	60.65	52.37
d	Current tax liabilities (net)	26	0.21	1.56
			<b>1,331.65</b>	<b>1,400.89</b>
	<b>Total Equity and liabilities</b>		<b>2,971.02</b>	<b>3,028.67</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. 17644

Ramanjit Singh  
CEO (Lighting Operations)

Tarun Baldua  
CEO (Steel Operations)

R N Maloo  
Executive Director  
& Group Chief Financial Officer

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

For and on behalf of the Board

J P Agarwal  
Chairman  
DIN: 00041119

Raju Bista  
Managing Director  
DIN: 01299297

Place : New Delhi  
Dated : 25th June, 2020

# CONSOLIDATED STATEMENT OF PROFIT AND LOSS

## FOR THE YEAR ENDED 31st MARCH, 2020

(₹ in crore)

Particulars	Note No.	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>I REVENUE FROM OPERATIONS</b>	28	5,471.05	5,975.04
<b>II OTHER INCOME</b>	29	3.35	4.11
<b>III TOTAL INCOME (I+II)</b>		<b>5,474.40</b>	<b>5,979.15</b>
<b>IV EXPENSES</b>			
Cost of materials consumed	30	4,068.56	4,400.89
Purchases of stock-in-trade	31	262.96	288.60
Changes in inventories of finished goods, stock-in-trade and work-in-progress	32	(96.21)	38.88
Employee benefits expense	33	303.98	293.76
Finance costs	34	114.13	115.08
Depreciation and amortisation expense	35	103.47	88.51
Other expenses	36	577.56	580.95
<b>Total expenses</b>		<b>5,334.45</b>	<b>5,806.67</b>
<b>V PROFIT BEFORE TAX (III-IV)</b>		<b>139.95</b>	<b>172.48</b>
<b>VI TAX EXPENSE</b>			
Current tax	27	28.71	53.58
Deferred tax	20	8.69	(1.91)
<b>VII PROFIT FOR THE YEAR (V-VI)</b>		<b>102.55</b>	<b>120.81</b>
<b>VIII OTHER COMPREHENSIVE INCOME</b>	37		
(i) Items that will not be reclassified to profit or loss		(2.76)	(4.84)
(ii) Income tax relating to items that will not be reclassified to profit or loss		0.69	1.69
<b>Total other comprehensive income</b>		<b>(2.07)</b>	<b>(3.15)</b>
<b>IX TOTAL COMPREHENSIVE INCOME(VII+VIII)</b>		<b>100.48</b>	<b>117.66</b>
<b>Earnings per equity shares (face value of ₹ 10/-each)</b>	38		
1) Basic (in ₹)		18.85	22.20
2) Diluted (in ₹)		18.85	22.20

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)

**Ramanjit Singh**  
CEO (Lighting Operations)

**R N Maloo**  
Executive Director  
& Group Chief Financial Officer

**J P Agarwal**  
Chairman  
DIN: 00041119

**CA Ashok Kumar**  
Partner FCA  
Membership No. 17644

**Tarun Baldua**  
CEO (Steel Operations)

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

**Raju Bista**  
Managing Director  
DIN: 01299297

Place : New Delhi  
Dated : 25th June, 2020

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31st MARCH, 2020

Particulars	(₹ in crore)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
a. Net operating profit before tax	139.95	172.48
Adjustment for :		
Re-measurement gain / loss on defined benefit plans routed through OCI	(2.76)	(4.84)
Depreciation and amortisation of Property, Plant and Equipment	103.47	88.51
(Profit)/Loss on Sale/Retirement of Property Plant and Equipment (Net)	0.04	0.03
Allowance for doubtful debts	1.73	5.12
Lease Rent Paid	(6.93)	-
Finance cost	114.13	115.08
<b>b. Operating profit before Working Capital changes</b>	<b>349.63</b>	<b>376.38</b>
Adjustment for :		
(Increase) / Decrease in Trade receivables	137.52	(127.85)
(Increase) / Decrease in Other financial assets	13.35	(28.70)
(Increase) / Decrease in Other assets	(78.94)	(30.72)
(Increase)/Decrease in Inventories	(71.99)	(16.96)
Increase / (Decrease) in Trade payables/ provisions	(38.99)	(31.80)
Increase / (Decrease) in Other financial liabilities	13.58	5.48
Increase / (Decrease) in Other liabilities	(9.09)	9.27
	<b>(34.56)</b>	<b>(221.28)</b>
<b>c. Cash generated from Operations before tax (a+b)</b>	<b>315.07</b>	<b>155.10</b>
<b>d. Net Direct Taxes paid</b>	<b>(38.60)</b>	<b>(34.99)</b>
<b>Net cash flow from operating activities A = (c+d)</b>	<b>276.47</b>	<b>120.11</b>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment.	(50.87)	(105.82)
Sale of Property, Plant and Equipment	2.71	0.54
<b>Net cash flow used in investing activities</b>	<b>(48.16)</b>	<b>(105.28)</b>
<b>Net cash from operating and investing activities (A+B)</b>	<b>228.31</b>	<b>14.83</b>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Repayment of borrowings (Non Current)	(115.08)	(40.48)
Proceeds from borrowings (Non Current)	48.82	55.00
Short term borrowings Increase /(Decrease) during the year (net)	(34.91)	79.62
Payment of dividend	(10.88)	(10.88)
Payment of dividend distribution tax	(2.24)	(2.24)
Finance cost	(114.65)	(118.33)
<b>Net cash used in financing activities</b>	<b>(228.94)</b>	<b>(37.31)</b>
<b>Net cash (used) in/from operating, investing and financing activities ((A+B)+C)</b>	<b>(0.63)</b>	<b>(22.48)</b>
Net increase/(decrease) in Cash & Cash equivalent	(0.63)	(22.48)
Opening balance	1.64	24.12
<b>Closing balance of Cash &amp; Cash equivalent (refer note no.10 )</b>	<b>1.01</b>	<b>1.64</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)

Ramanjit Singh  
CEO (Lighting Operations)

R N Maloo  
Executive Director  
& Group Chief Financial Officer

J P Agarwal  
Chairman  
DIN: 00041119

CA Ashok Kumar  
Partner FCA  
Membership No. 17644

Tarun Baldua  
CEO (Steel Operations)

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

Raju Bista  
Managing Director  
DIN: 01299297

Place : New Delhi  
Dated : 25th June, 2020

# CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

## FOR THE YEAR ENDED 31st MARCH, 2020

### A. EQUITY SHARE CAPITAL

(₹ in crore)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	No. of Shares	Amount	No. of Shares	Amount
Balance at the beginning of the reporting period	5,44,08,974	54.41	5,44,08,974	54.41
<b>Balance at the end of the reporting period</b>	<b>5,44,08,974</b>	<b>54.41</b>	<b>5,44,08,974</b>	<b>54.41</b>

### B. OTHER EQUITY

(₹ in crore)

Particulars	Reserves and surplus							Total
	Forfeiture reserve	Securities premium	Capital redemption reserve	Capital reserve	General reserve	Retained earnings	Other comprehensive income	
Balance as at 1st April, 2018	17.63	142.71	3.00	124.69	71.36	642.21	(8.69)	992.91
Profit for the year						120.81	(3.15)	117.66
<b>Total comprehensive income for the year</b>	-	-	-	-	-	120.81	(3.15)	117.66
Payment of dividend						(10.88)		(10.88)
Payment of dividend distribution tax						(2.24)		(2.24)
Transfer of profit for the year to General reserve					13.00	(13.00)	-	-
<b>Balance as at 31st March, 2019</b>	<b>17.63</b>	<b>142.71</b>	<b>3.00</b>	<b>124.69</b>	<b>84.36</b>	<b>736.90</b>	<b>(11.84)</b>	<b>1,097.45</b>
Profit for the year						102.55	(2.07)	100.48
<b>Total comprehensive income for the year</b>	-	-	-	-	-	102.55	(2.07)	100.48
Payment of dividend						(10.88)		(10.88)
Payment of dividend distribution tax						(2.24)		(2.24)
Transfer of profit for the year to General reserve					10.00	(10.00)		-
<b>Balance as at 31st March, 2020</b>	<b>17.63</b>	<b>142.71</b>	<b>3.00</b>	<b>124.69</b>	<b>94.36</b>	<b>816.33</b>	<b>(13.91)</b>	<b>1,184.81</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)

**Ramanjit Singh**  
CEO (Lighting Operations)

**R N Maloo**  
Executive Director  
& Group Chief Financial Officer

**J P Agarwal**  
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DIN: 00041119

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Membership No. 17644

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Managing Director  
DIN: 01299297

Place : New Delhi  
Dated : 25th June, 2020

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020

### 1 CORPORATE AND GENERAL INFORMATION

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

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

SRL together with its subsidiary is hereinafter refer to as 'the Group'

### 2 BASIS OF PREPARATION OF CONSOLIDATED FINANCIAL STATEMENTS AND USE OF ESTIMATES

#### 2.1 Basis of preparation of consolidated financial statements

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

#### 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;
- 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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

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 Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

### 2.4 Use of estimates

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

Key sources of estimations of uncertainty at the date of the consolidated financial statements, which

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

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

### 3 SIGNIFICANT ACCOUNTING POLICIES

#### 3.1 Basis of Measurement

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

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

#### 3.2 Property, Plant and Equipment (PPE)

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

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

Capital work-in-progress includes cost of property, plant and equipment under installation as at the consolidated balance sheet date and the cost of Property, Plant and Equipment not put to use are disclosed under 'Capital work-in-progress'. Advances paid towards the acquisition of property, plant and equipment outstanding at each consolidated balance sheet date is classified as capital advances under other non-current assets

#### 3.3 Depreciation and Amortisation

- i Depreciation on the property, plant and equipment is provided over the useful life of assets which is coincide with the life specified in Schedule II to the Companies Act, 2013. The range of useful lives of the Property, Plant and Equipment are as follows:

Property, plant and equipment	Useful life in Years
Plant and equipments	08 – 15
Buildings	05-60
Office equipment's	05
Vehicles	08
Furniture and fixtures	10
Computers	03 –06

However, in case of the following category of plant and equipments, the depreciation has been provided, based on the technical evaluation of the remaining useful life as under :-

Plant and Equipments - Pipe Mills cold rolling and 3 LPE Plant of Steel Division	25 years
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The useful lives of assets as mentioned above is on their single shift basis, if an asset is used for any time during the year for double shift, the depreciation will increase by 50% for that period and in case of triple shift the depreciation will increase by 100% for that period.

- ii Property, plant and equipment (PPE) which are added/ disposed- of during the year, depreciation is provided on pro-rata basis from (up- to) the date on which the PPE is available for use (disposed-off).
- iii The residual values and useful lives of PPE are reviewed in every financial year considering the physical condition, benchmarking analysis or indicators for review of residual value and useful life of the respective assets and the same is adjusted prospectively. Lease hold land is amortised over the period of lease.
- iv Free-hold land are not subject to amortisation.
- 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

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs. If such assets are considered to be impaired, the impairment to be recognised in the consolidated statement of profit and loss is measured by the amount by which the carrying value of the assets exceeds the estimated recoverable amount of the asset. An impairment loss is reversed in the consolidated statement of profit and loss if there has been a change in the estimates used to determine the recoverable amount. The carrying amount of the asset is increased to its revised recoverable amount, provided that this amount does not exceed the carrying amount that would have been determined (net of any accumulated amortisation or depreciation) had no impairment loss been recognised for the asset in prior years. A reversal of impairment loss is recognised immediately in consolidated statement of profit and loss.

### 3.5 Cash and cash equivalents

Cash and cash equivalents includes cash in hand and Cheques / drafts in hand, balances with banks, deposits held at call with banks, other short-term highly liquid investments with original maturities of three months or less that are readily convertible to a known amount of cash and are subject to an insignificant risk of changes in value and are held for the purpose of meeting short-term cash commitments. The consolidated cash flow statement has been prepared under the indirect method as set out in Indian Accounting Standard (IND AS ) 7 statement of cash flows.

### 3.6 Inventories

Inventories are carried in the balance sheet as follows:	At lower of cost or net realisable value
Raw material	At lower of cost or net realisable value
Work-in Progress	At lower of cost or net realisable value
Finished Goods / Stock in trade	At lower of cost or net realisable value
Stores, spares and consumable	At lower of cost or net realisable value

The cost of inventories comprises of cost of purchase, cost of conversion and other related costs incurred in bringing the inventories to their respective present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

### 3.7 Employee benefits

Expenses and liabilities in respect of employee benefits are recorded in accordance with Ind-AS 19 – Employee Benefits.

#### a) Defined contribution plan

- i Provident Fund: Contribution to the provident fund with the government at pre-determined rates is a defined contribution scheme and is charged to the consolidated statement of profit and loss when employees have rendered services entitling them to such benefit.
- ii National pension scheme : Contribution to national pension scheme with the at pre-determined rates is a defined contribution scheme and is charged to the consolidated statement of profit and loss when employees have rendered services entitling them to such benefit.

#### b) Defined benefit plan

Gratuity : The Group provides for gratuity, a defined benefit retirement plan ('the Gratuity Plan') covering eligible employees. The Gratuity Plan provides a lump-sum payment to vested employees at retirement, death, or termination of employment, of an amount based on the respective employee's salary and the tenure of employment with the respective Company.

Liabilities with regard to the Gratuity Plan are determined by actuarial valuation, performed by an independent actuary, at each balance sheet date using the projected unit credit method.

The Group 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.



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

- c) **Long term employee benefits:** Provisions for other long term employee benefits-compensated absences, a defined benefit scheme, is made on the basis of actuarial valuation at the end of each financial year and are charged to the statement of profit and loss. All actuarial gains or losses are recognised immediately in the consolidated statement of profit and loss.
- d) **Other Short-term employee benefits:** All employee benefits payable wholly within twelve months rendering services are classified as short term employee benefits. Benefits such as salaries, wages, short-term compensated absences, performance incentives etc. and the expected cost of bonus, ex-gratia are recognised during the period in which the employee renders related service.

### 3.8 Foreign currency reinstatement and translation

#### a) Functional and presentation currency

The consolidated financial statements have been presented in Indian Rupees (INR), which is the Group's functional and presentation currency

#### b) Transactions and balances

Transactions in currencies other than the entity's functional currency (foreign currencies) are recognised at the rates of exchange prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the rates prevailing on the consolidated balance sheet date and exchange gain and losses arising on settlement and restatement are recognised in consolidated statement of profit and loss. Non-monetary items are measured in terms of historical cost in foreign currencies and are therefore not retranslated.

### 3.9 Financial instruments –

**Initial recognition:** The Group recognises financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognised at fair value on initial recognition. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss, are added to or deducted from the fair value on initial recognition.

#### Subsequent measurement:

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

solely payments of principal and interest on the principal amount outstanding.

- ii) **Financial assets carried at fair value through other comprehensive income:** A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- iii) **Financial assets at fair value through profit or loss:** A financial asset which is not classified in any of (i) & (ii) above categories are subsequently fair valued through profit or loss.
- iv) **Financial Liabilities:** Financial liabilities are subsequently carried at amortised cost using the effective interest method. For trade and other payables maturing within one year from the consolidated balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

#### De-recognition

The Group de-recognises of financial assets when the contractual rights to receive cash flows from the financial asset expire or transfer the financial asset and transfer qualifies for de-recognition under IND AS 109.

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished is recognised in profit or loss as other income.

#### Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

### 3.10 Derivative financial instruments:

The Group uses derivative financial instruments, such as forward contracts to hedge its foreign currency exposure. The 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.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 3.11 Borrowing costs

- a) Borrowing costs that are attributable to the acquisition, construction, or production of a qualifying asset are capitalised as a part of the cost of such asset till such time the asset is ready for its intended use or sale. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale.
- b) All other borrowing costs are recognised as expense in the period in which they are incurred.

### 3.12 Taxation

Income tax expense represents the sum of current tax and deferred tax. Tax is recognised in the consolidated statement of profit and loss, except to the extent that it relates to items recognised directly in equity or other comprehensive income.

#### Current Tax

- i Pursuant to the Taxation Laws (Amendment) Act, 2019, tax rates have changed w.e.f. from 1st April, 2019, and accordingly, the Group has exercised the option permitted under Section 115BAA of the Income-Tax Act, 1961 for reduced tax rates. Accordingly current tax expenses have been accounted for.
- ii For the Financial year ended 31st March, 2019, Current tax provision was computed on Income calculated after considering allowances and exemptions under the provisions of the applicable Income Tax Laws of that assessment year.
- iii Provision for current income taxes and advance taxes paid are presented in the balance sheet after offsetting them on an assessment year basis.

#### Deferred Tax

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated Balance sheet and the corresponding tax bases used in the computation of taxable profit and are accounted for using the Balance Sheet approach for all taxable temporary differences to the extent that it is probable that future taxable profits will be available. Deferred tax assets and liabilities are measured at the applicable tax rates and tax laws those are enacted or substantively enacted. Deferred tax assets and deferred tax liabilities are set-off, and presented on net basis. The carrying amount of deferred tax is reviewed at each balance sheet date. The measurement of deferred tax liabilities and assets

reflects the tax consequences that would follow from the manner in which the Company expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

### 3.13 Revenue recognition and other income

The Group is in the business of sale of Steel Pipes and Strips, lightings, LED and conventional lighting goods, fans, appliances, PVC pipes and fittings etc. The Group also provide extended warranties for its LED street lighting.

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.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated (e.g., warranties). In determining the transaction price for the 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 are considered as the separate contract, adjusted and accounted accordingly.

Volume rebates and schemes discounts: The Group provides volume rebates and schemes discounts to its customers based on quantity of products purchased by them during the period. To estimate for the expected future outgo for revenue recognition, the Group applies the most likely amount method for contracts with a single-volume threshold and the expected value method for contracts with more than one volume threshold. The selected method that best predicts the amount of variable consideration is primarily driven by the number of volume thresholds contained in the contract.

Financing component: In case of extended trade credit agreed with the customers containing significant financing component, the transaction

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

price for such contract are discounted, using the effective interest rate that would be considered separate financing transaction at transaction inception, to take into consideration the significant financing component

### b) **Export incentives:**

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same and there is reasonable assurance that the Group will comply with the conditions attached to them.

### c) **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.

### d) **Other Income**

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable.

### 3.14 Government grants / Assistance

Government grants/Assistance recognised where there is reasonable assurance that the same will be received and the eligibility criteria is met out. Government grants/Assistance are recognised in profit and loss account on a systematic basis over the period in which the Group, recognises as expenses the related cost for which the grants are intended to compensate.

### 3.15 Dividend Distribution

Annual dividend distribution to the shareholders is recognised as a liability in the period in which the dividends are approved by the shareholders. Any interim dividend paid is recognised on approval by Board of Directors. Dividend payable and corresponding tax on dividend distribution, 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:

In the principal market for the asset or liability, or

In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the consolidated financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

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

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs. This includes the assets and liabilities carried at forward contract rates / prevailing exchange rate at year end and assets carried at present value using appropriate discounting rate

Level 3: Inputs which are not based on observable market data.

For assets and liabilities that are recognised in the consolidated financial statements on a recurring basis, the respective companies determines whether transfers have occurred between levels in the hierarchy by re-assessing categorisation (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

For the purpose of fair value disclosures, the Company has determined classes of assets & liabilities on the basis of the nature, characteristics and the risks of the asset or liability and the level of the fair value hierarchy as explained above.

### 3.17 Earnings per share

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the year.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

### 3.18 Provisions

#### a) Provisions

Provisions (excluding employee benefits) are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. If the effect of the time value of money is material, provisions are discounted using equivalent period government securities interest rate. Provisions are reviewed at each consolidated balance sheet date and are adjusted to reflect the current best estimate.

#### b) Contingencies

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the Notes to the Financial Statements.

Contingent assets are not recognised. However, when the realisation of income is virtually certain, it is recognised as an asset.

#### c) Warranty Provisions

The estimated liability for product warranties is recorded when products are sold. These estimates are established using historical information on the nature, frequency and average cost of warranty claims and Group's Management estimates regarding possible future incidence based on corrective actions on product failures. The timing of outflows will vary as and when warranty claim will arise.

As per the terms of the contracts, the Company provides post-contract services/

warranty support to some of its customers. The Company accounts for the post-contract support/provision for warranty on the basis of the information available with the Group's Management duly taking into account the current and past technical estimates.

### 3.19 Research and development costs

Research costs are expensed as incurred. Development expenditures on an individual project are recognised as an intangible asset when the Group can demonstrate:

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

### 3.20 Leases

Ind AS 116 Leases was notified in March 2019 and it replaces Ind AS 17 Leases. Ind AS 116 is effective for annual periods beginning on or after 1st April, 2019. It sets out the principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases under a single on-balance sheet model similar to the accounting for finance leases under Ind AS 17. Lessor accounting under Ind AS 116 is substantially unchanged from today's accounting under Ind AS 17. Ind AS 116 requires lessees and lessors to make more extensive disclosures than under Ind AS 17.

The Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### As a lessee

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, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount 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 of 12 months. The Group recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

### 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 statements:

#### a) Property, plant and equipment - Useful lives of assets

The Group reviews the useful life of assets at the end of each reporting period. This reassessment may result in change in depreciation expenses in future periods.

#### b) Warranties

The Group generally offers Warranties for its consumer products and the liability towards warranty-related costs are recognised in the year of sales or service provided to the customers. Management ascertain and measure the liability for warranty claims based on historical experience and trend. The assumptions made in relation to current year are consistent of those are in prior years.

#### c) Provision

A provision is recognised when the Group has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation in respect of which a reliable estimate can be made.

#### d) Contingent Liabilities and Contingent Assets

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Contingent liabilities are disclosed in the consolidated notes. Contingent assets are not recognised in the consolidated financial statements.

### 4.2 Standards issued but not effective (based on Exposure drafts available as on date)

The Group is in the process of evaluating the impact of the new amendments issued but not yet effective.

Ministry of Corporate Affairs has carried out amendments of the following accounting standards. The amendments to existing Standards are proposed to be effective for reporting periods beginning on or after 1st April 2020.

1. Ind AS 103 – Business Combination
2. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
3. Ind AS 40 – Investment Property

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 5 PROPERTY, PLANT AND EQUIPMENT

Particulars	Land-Freehold	Land-Leasehold	Buildings	Plant and Equipment	Furniture and Fixtures	Vehicles	Office Equipments	Computers	Total	Capital work in progress
<b>GROSS CARRYING VALUE</b>										
As at 1st April, 2018	19.50	10.97	202.12	1,073.00	5.86	6.57	2.81	7.26	1,328.09	21.91
Additions	1.53	-	10.09	89.65	0.50	2.77	0.64	0.56	105.74	75.34
Disposals	-	-	-	0.39	-	0.37	0.45	0.94	2.15	72.68
As at 31st March, 2019	21.03	10.97	212.21	1,162.26	6.36	8.97	3.00	6.88	1,431.68	24.57
Additions	6.31	-	3.50	47.52	0.38	1.28	0.76	0.70	60.45	19.19
Deletion / adjustments	-	-	-	6.21	0.09	0.62	0.13	0.05	7.10	28.77
<b>As at 31st March, 2020</b>	<b>27.34</b>	<b>10.97</b>	<b>215.71</b>	<b>1,203.57</b>	<b>6.65</b>	<b>9.63</b>	<b>3.63</b>	<b>7.53</b>	<b>1,485.03</b>	<b>14.99</b>
<b>DEPRECIATION</b>										
As at 1st April, 2018	-	1.04	21.70	223.09	2.23	2.30	1.71	4.10	256.17	-
Depreciation for the year	-	0.35	7.93	76.98	0.78	0.86	0.35	1.26	88.51	-
Disposals	-	-	-	0.18	-	0.21	0.39	0.80	1.58	-
As at 31st March, 2019	-	1.39	29.63	299.89	3.01	2.95	1.67	4.56	343.10	-
Depreciation for the year	-	0.34	8.24	84.65	0.75	1.16	0.50	1.44	97.08	-
Deletion / adjustments	-	-	-	3.87	0.09	0.26	0.08	0.05	4.35	-
<b>As at 31st March, 2020</b>	<b>-</b>	<b>1.73</b>	<b>37.87</b>	<b>380.67</b>	<b>3.67</b>	<b>3.85</b>	<b>2.09</b>	<b>5.95</b>	<b>435.83</b>	<b>-</b>
<b>Net carrying value</b>										
As at 31st March, 2019	21.03	9.58	182.58	862.37	3.35	6.02	1.33	2.32	1,088.58	24.57
<b>As at 31st March, 2020</b>	<b>27.34</b>	<b>9.24</b>	<b>177.84</b>	<b>822.90</b>	<b>2.98</b>	<b>5.78</b>	<b>1.54</b>	<b>1.58</b>	<b>1,049.20</b>	<b>14.99</b>

#### Explanatory Notes:

- The above property plant and equipment are under charge as security against borrowing see note no. 17 & 21
- The Group has acquired exclusive used right for certain premises being used for its offices and classified them under the intangible assets.

#### Other Intangible Assets - Right-of-Use Assets

Particulars	(₹ in crore)
Gross carrying value	-
As at 1st April, 2018	-
Additions	-
Deductions/ Adjustments	-
As at 31st March, 2019	-
Additions	18.31
Deductions/ Adjustments	-
<b>As at 31st March, 2020</b>	<b>18.31</b>
<b>Depreciation/ Amortisation</b>	
As at 1st April, 2018	-
Additions	-
Deductions/ Adjustments	-
As at 31st March, 2019	-
<b>Additions</b>	<b>6.39</b>
Deductions/ Adjustments	-
As at 31st March, 2020	6.39
<b>Net carrying value</b>	
As at 31st March, 2019	-
<b>As at 31st March, 2020</b>	<b>11.92</b>

Note: For other details of Right-of-Use Assets refer Note 39 to the Consolidated financial statements

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 6 OTHER FINANCIAL ASSETS AT AMORTISED COST (NON CURRENT)

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
<b>Unsecured, considered good</b>		
Deferred Receivable	8.12	22.38
Unbilled revenue	15.51	13.98
Security deposits	9.84	9.70
	<b>33.47</b>	<b>46.06</b>

### 7 OTHER NON CURRENT ASSETS

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
Capital Advances	20.00	7.25
	<b>20.00</b>	<b>7.25</b>

### 8 INVENTORIES (CURRENT)

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
Raw materials	326.64	354.31
Work-in-progress	153.25	144.05
Finished goods	413.85	321.80
Stores, spares and consumables	23.77	25.37
	<b>917.51</b>	<b>845.53</b>

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

Inventories are hypothecated as security against borrowings see note no.17 & 21

### 9 TRADE RECEIVABLES (CURRENT)

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
Trade receivables considered good-secured	-	-
Trade receivables considered good-unsecured	696.07	835.32
Trade receivables-credit impaired	6.08	11.69
Less : Allowance for doubtful debts	6.08	11.69
Net Trade receivables-credit impaired	-	-
	<b>696.07</b>	<b>835.32</b>

### 10 CASH AND CASH EQUIVALENTS

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
a. Balance with banks		
In Current Accounts	0.72	0.25
b. Cheques, drafts on hand	-	1.00
c. Cash on hand	0.29	0.39
<b>Cash and cash equivalents as per statement of cash flow</b>	<b>1.01</b>	<b>1.64</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 11 BANK BALANCES OTHER THAN CASH AND CASH EQUIVALENTS

	As at 31st March, 2020	As at 31st March, 2019
(₹ in crore)		
<b>Other bank balances</b>		
Fixed deposits	0.16	-
<b>Balance with banks</b>		
Unpaid dividend account (Earmarked against the corresponding provision refer note no.23)	0.42	0.43
	<b>0.58</b>	<b>0.43</b>

### 12 OTHER FINANCIAL ASSETS (CURRENT)

	As at 31st March, 2020	As at 31st March, 2019
(₹ in crore)		
Unbilled revenue	4.71	4.15
Other recoverables	32.75	34.08
	<b>37.46</b>	<b>38.23</b>

### 13 CURRENT TAX ASSETS ( NET)

	As at 31st March, 2020	As at 31st March, 2019
(₹ in crore)		
Current Tax Asset (net)	8.81	0.27
	<b>8.81</b>	<b>0.27</b>

### 14 OTHER CURRENT ASSETS

	As at 31st March, 2020	As at 31st March, 2019
(₹ in crore)		
Considered good, unless otherwise stated		
MAT Receivable	-	26.83
Recoverable from government authorities	136.24	80.60
Balances with statutory authorities	13.00	22.60
Prepaid expenses	2.67	2.15
Forward Contract Receivable	11.35	-
Advances to Supplier	16.74	8.61
	<b>180.00</b>	<b>140.79</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 15 SHARE CAPITAL

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
<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
	<b>54.41</b>	<b>54.41</b>
<b>Movement of Equity Shares</b>		
Balance at the beginning of the reporting period	5,44,08,974	5,44,08,974
Issued during the year	-	-
<b>Balance at the end of the reporting period</b>	<b>5,44,08,974</b>	<b>5,44,08,974</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 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 after distribution of all preferential amounts, in proportion to their shareholding.

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
<b>Cash dividends on equity shares declared and paid</b>		
Dividend for the year ended on 31st March, 2019: ₹ 2.00 per share (Previous year ₹ 2.00 per share)	10.88	10.88
Dividend Distribution Tax on above	2.24	2.24
<b>Proposed dividends on equity shares</b>		
Dividend for the year ended on 31st March, 2020: ₹ 2.00 per share (Previous year ₹ 2.00 per share)	10.88	10.88
Dividend Distribution Tax on proposed dividend	Not Applicable	2.24

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

Names	As at 31st March, 2020		As at 31st March, 2019	
	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 CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 16 OTHER EQUITY

	As at 31st March, 2020	As at 31st March, 2019
	(₹ in crore)	
a. Capital redemption reserve	3.00	3.00
b. Capital Reserve	124.69	124.69
c. Securities premium	142.71	142.71
d. Forfeiture reserve	17.63	17.63
e. General reserve	94.36	84.36
f. Retained earnings	816.33	736.90
g. Other comprehensive income	(13.91)	(11.84)
<b>Balance at the end of the Financial year</b>	<b>1,184.81</b>	<b>1,097.45</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 is utilised in accordance with the provisions of the Companies Act.

##### d. Forfeiture reserve

Forfeiture Reserve represents the forfeiture of amount of consideration received on allotment of warrants of the cases where option to take equity shares were not exercised within the prescribed time in accordance with Chapter VII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.

##### e. General reserve

The general reserve is created time to time to transfer profits from retained earnings for appropriation purposes. As the general reserve is created by transfer from one component of equity to another equity, hence items included in general reserve will not be reclassified subsequently to profit and loss.

##### f. Dividend

The Dividend of ₹ 10.88 crore for the Year 2019-20 ( ₹ 10.88 crore for the Year 2018-19) is accounted in the year of approval by the shareholders

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 17 BORROWINGS (NON CURRENT)

	As at 31st March, 2020	As at 31st March, 2019
(₹ in crore)		
<b>Secured measured at amortised cost</b>		
<b>Term loans from banks</b>		
Rupee loans	186.83	128.53
Foreign currency loans	69.79	209.71
<b>Term loans from financial institutions</b>		
Rupee loans	18.75	-
Foreign currency loans	53.24	56.62
	<b>328.61</b>	<b>394.86</b>
Less : Loan repayment within one year (refer note 23)	58.58	60.01
	<b>58.58</b>	<b>60.01</b>
	<b>270.03</b>	<b>334.85</b>

- A** Term Loans of ₹ 282.61 crore (₹ 345.86 crore as at 31st March, 2019) are secured by way of first pari-passu charge on all fixed Assets including equitable mortgage of Land and Building and further secured by way of second pari-passu charge on Company's entire Current Assets both present and future and personal guarantee of The Chairman of the Company.
- a** Rupee Term Loans from banks aggregating ₹ 140.83 crore (₹ 79.53 crore as at 31st March, 2019) are payable in 22 (maximum) quarterly installments, with last repayment date 30th September, 2025, carrying floating interest rate linked with MCLR + spread upto to 85 bps with periodical interest reset out of above ₹ 121.50 crore is convertible into foreign currency at Libor+175 bps spread.
- b** Foreign Currency Term Loan from banks aggregating ₹ 69.79 crore (₹ 209.71 crore as at 31st March, 2019) are payable in 12 (maximum) quarterly installments, with last repayment date 5th January, 2023, carrying floating interest rate LIBOR + 175 to 200 bps spread with periodical interest reset.
- c.** Rupee Term Loan from financial institution aggregating ₹ 18.75 crore (₹ NIL crore as at 31st March, 2019) are payable in 29 (maximum) quarterly installments, with last repayment date 1st July, 2029, carrying floating interest rate linked with G-Sec + 275 bps spread with periodical interest reset and also convertible into foreign currency at Libor+200 bps spread.
- d.** Foreign Currency Term Loan from financial institution aggregating ₹ 53.24 crore (₹ 56.62 as at 31st March, 2019) are payable in 27 (maximum) quarterly installments, with last repayment date 1st October, 2026, carrying floating interest rate LIBOR + 200 bps spread with periodical interest reset.
- B** Rupee Term Loan from one of the bank of ₹ 46.00 crore (₹ 49.00 crore as at 31st March, 2019) are secured by way of first pari-passu charge on all fixed Assets including equitable mortgage of Land and Building and further secured by way of second pari-passu charge on Company's entire Current Assets both present and future. which is payable in 29 quarterly instalments, with last repayment date 31st May, 2028, carrying floating interest rate linked with MCLR +20 bps spread with periodical interest reset.

#### Change in Liability arising from financing activities

	As at 1st April, 2019	Receipts	Payments	As at 31st March, 2020
(₹ in crore)				
Current Borrowings ( Net Basis) (refer note no. 21)	796.67	-	34.92	761.75
Non-Current Borrowings	394.86	48.82	115.07	328.61
<b>Total</b>	<b>1,191.53</b>	<b>48.82</b>	<b>149.99</b>	<b>1,090.36</b>

	As at 1st April, 2018	Receipts	Payments	As at 31st March, 2019
(₹ in crore)				
Current Borrowings ( Net Basis) (refer note no. 21)	717.05	79.62	-	796.67
Non-Current Borrowings	380.34	55.00	40.48	394.86
<b>Total</b>	<b>1,097.39</b>	<b>134.62</b>	<b>40.48</b>	<b>1,191.53</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 18 OTHERS FINANCIAL LIABILITIES (NON CURRENT)

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
Security deposits	10.74	10.48
	<b>10.74</b>	<b>10.48</b>

### 19 PROVISION (NON CURRENT)

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits		
Gratuity (refer note 47)	45.82	40.01
Compensated absences (refer note 47)	12.48	10.67
	<b>58.30</b>	<b>50.68</b>

### 20 DEFERRED TAX LIABILITIES

(₹ in crore)

	As at 31st March, 2019	Recognised in P & L	Recognised in OCI	As at 31st March, 2020
Deferred tax liabilities / assets are attributable to the following items;				
<b>Deferred tax liabilities</b>				
Difference between books depreciation and tax depreciation	104.32	(13.48)	-	90.84
<b>Sub- (a)</b>	<b>104.32</b>	<b>(13.48)</b>	<b>-</b>	<b>90.84</b>
<b>Deferred tax assets</b>				
Disallowances under section 43B of the Income tax Act. on payment basis	20.32	1.38	0.69	22.39
Allowance for doubtful debts	4.06	(1.41)	-	2.65
Others	0.03	4.69	-	4.72
<b>Sub- (b)</b>	<b>24.41</b>	<b>4.66</b>	<b>0.69</b>	<b>29.76</b>
Net deferred tax liability (a-b)	79.91	(18.14)	(0.69)	61.08
<b>MAT Receivable - (c)</b>	<b>26.83</b>	<b>(26.83)</b>		<b>-</b>
<b>Net deferred tax liability after MAT Receivable</b>	<b>53.08</b>	<b>8.69</b>	<b>(0.69)</b>	<b>61.08</b>

(₹ in crore)

	As at 1st April, 2018	Recognised in P & L	Recognised in OCI	As at 31st March, 2019
Deferred tax liabilities / assets are attributable to the following items;				
<b>Deferred tax liabilities</b>				
Difference between books depreciation and tax depreciation	103.29	1.03	-	104.32
<b>Sub- (a)</b>	<b>103.29</b>	<b>1.03</b>	<b>-</b>	<b>104.32</b>
<b>Deferred tax assets</b>				
Disallowed under section 43B of the Income tax Act. on payment basis	17.33	1.30	1.69	20.32
Allowance for doubtful debts	2.45	1.61	-	4.06
Others	-	0.03	-	0.03
<b>Sub- (b)</b>	<b>19.78</b>	<b>2.94</b>	<b>1.69</b>	<b>24.41</b>
<b>Net deferred tax liability (a-b)</b>	<b>83.51</b>	<b>(1.91)</b>	<b>(1.69)</b>	<b>79.91</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 21 BORROWINGS (CURRENT)

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
<b>Secured</b>		
Loans repayable on demand		
From banks		
Rupee loans	584.48	796.67
Foreign currency loans	117.27	-
Commercial paper	60.00	-
	<b>761.75</b>	<b>796.67</b>

The above working Capital borrowings of ₹ 761.75 crore are secured against current assets both present and future and further secured by way of second charge on all Fixed Assets including equitable mortgage of Land and Building and personal guarantee of the Chairman of the Company. The Rupee Loans of ₹ 259.23 crore linked with MCLR of respective banks of which Interest ranging from 0 to 75 bps spread over MCLR, ₹ 325.25 crore linked with T-Bills of which Interest ranging from 7% to 7.30% and Commercial paper carrying interest rate of 6.90% and foreign currency loans carrying Interest rate of LIBOR + 175 to 200 bps spread.

### 22 TRADE PAYABLES

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
outstanding dues of micro enterprises and small enterprises	23.90	23.40
outstanding dues other than micro enterprises and small enterprises	271.21	326.61
	<b>295.11</b>	<b>350.01</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 :	30.90	36.59
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 Group.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 23 OTHER FINANCIAL LIABILITIES (CURRENT)

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
Current maturities of long-term borrowings (refer note 17)	58.58	60.01
Interest accrued but not due on borrowings	0.37	2.45
Unpaid dividends* (refer note 11)	0.42	0.43
Forward Contract payable	-	0.67
Payable to employees	35.90	33.93
Expenses Payable	73.61	61.60
Lease Liability (refer note 39)	12.94	-
	<b>181.83</b>	<b>159.09</b>

\* There are no amount due and outstanding to be credited to the investor education and protection fund as at 31st March, 2020

### 24 OTHER LIABILITIES (CURRENT)

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
Advances from customers	22.69	28.83
Statutory dues payables	9.41	12.36
	<b>32.10</b>	<b>41.19</b>

### 25 PROVISIONS (CURRENT)

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
Provision for employee benefits		
Gratuity (refer note 47)	6.86	5.55
Compensated absences (refer note 47)	3.07	2.41
	<b>9.93</b>	<b>7.96</b>
Other payables		
Warranty payable (refer note 42)	50.72	44.41
	<b>50.72</b>	<b>44.41</b>
	<b>60.65</b>	<b>52.37</b>

### 26 CURRENT TAX LIABILITIES

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
Current tax liability (net)	0.21	1.56
	<b>0.21</b>	<b>1.56</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 27 INCOME TAX

(₹ in crore)

	As at 31st March, 2020	As at 31st March, 2019
<b>a Income tax recognised in profit or loss</b>		
Current tax expense	28.71	53.58
Deferred tax expense		
Origination and reversal of temporary differences	8.69	(1.91)
<b>Total tax expenses</b>	<b>37.40</b>	<b>51.67</b>
<b>b Reconciliation of effective tax rate</b>		
Profit before tax	139.95	172.48
Domestic tax rate	25.168%	34.944%
Tax using The Company's domestic tax rate	35.22	60.28
Increase / reduction in Taxes on account of		
Deduction / exemptions in taxable income	(0.13)	(9.50)
Other non deductible expenses	2.31	0.89
<b>Income tax expenses charged to statement of profit and loss</b>	<b>37.40</b>	<b>51.67</b>
<b>Effective tax rate</b>	<b>26.72%</b>	<b>29.96%</b>

Pursuant to the Taxation Law (Amendment) Ordinance 2019 tax rates have changed with effect from 1st April, 2019 and accordingly the Group has exercised the option permitted under section 115BAA of the Income Tax Act 1961 for reduced tax rates. Accordingly tax expenses for the year ended has been accounted for, however in the previous year ended 31st March, 2019 the company has taken deduction / exemption for the following:-

- Under section 80-IC of the Income-Tax Act on 30% Profits of eligible industrial undertakings at Kashipur, Utarakhand
- Under section 32AD of the Income-Tax Act, 1961 @ 15% on the Plant & Machinery installed at newly set-up unit at Hindupur in the notified backward area of the state of Andhra Pradesh.
- Research and development expenditure @ 150% in accordance with the provisions of Section 35(2AB) of the Income-Tax Act, 1961.

### 28 REVENUE FROM OPERATIONS

(₹ in crore)

	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>a. Sale of products (Net of GST);</b>		
i. Steel pipe and strips	4,163.62	4,373.06
ii. Lighting and consumer durables	1,221.57	1,535.71
	<b>5,385.19</b>	<b>5,908.77</b>
Less Inter Segment Sales	11.58	5.07
	<b>5,373.61</b>	<b>5,903.70</b>
<b>b. Other operating revenue;</b>		
i. Investment promotion assistance (refer note no.43)	50.70	34.34
ii. Export incentives and claims	40.36	34.62
	<b>91.06</b>	<b>68.96</b>
<b>c. Sale of services</b>	6.38	2.38
	<b>6.38</b>	<b>2.38</b>
	<b>5,471.05</b>	<b>5,975.04</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 29 OTHER INCOME

	(₹ in crore)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a. Interest Income from financial assets	3.09	3.73
b. Profit on sale of property, plant and equipment	0.08	0.19
c. Miscellaneous income	0.18	0.19
	<b>3.35</b>	<b>4.11</b>

### 30 COST OF MATERIALS CONSUMED

	(₹ in crore)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
i. Steel pipe and strips		
a. Raw materials (Imported)	164.88	162.30
b. Raw materials (Indigenous)	3,405.52	3,544.55
ii. Lighting and consumer durables		
a. Raw materials (Imported)	170.90	170.09
b. Raw materials (Indigenous)	301.49	485.04
c. Packing materials consumed	37.31	43.97
	<b>4,080.10</b>	<b>4,405.96</b>
Less Inter Segment Consumption	11.54	5.07
	<b>4,068.56</b>	<b>4,400.89</b>

### 31 PURCHASE OF STOCK-IN-TRADE

	(₹ in crore)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Lighting and consumer durables (outsourced)	262.96	288.60
	<b>262.96</b>	<b>288.60</b>

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

	(₹ in crore)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
<b>Inventories at the end of the year</b>		
Finished goods	413.85	321.80
Work in Progress	148.21	144.05
	<b>562.06</b>	<b>465.85</b>
<b>Inventories at the beginning of the year</b>		
Finished goods (Net)	321.80	401.91
Work in Progress	144.05	102.82
	<b>465.85</b>	<b>504.73</b>
	<b>(96.21)</b>	<b>38.88</b>

### 33 EMPLOYEE BENEFIT EXPENSES

	(₹ in crore)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a. Salaries, wages and bonus	283.74	274.50
b. Contribution to provident and other funds	13.66	13.22
c. Staff welfare expenses	6.58	6.04
	<b>303.98</b>	<b>293.76</b>



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 34 FINANCE COST

	(₹ in crore)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a. Interest expenses	107.84	107.37
b. Interest on Lease Liabilities	1.56	-
c. Other borrowing cost	4.73	7.71
	<b>114.13</b>	<b>115.08</b>

### 35 DEPRECIATION AND AMORTISATION EXPENSES

	(₹ in crore)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a. Depreciation (refer note 5)	97.08	88.51
b. Amortisation of Right-of-Use Assets (refer note 5)	6.39	-
	<b>103.47</b>	<b>88.51</b>

### 36 OTHER EXPENSES

	(₹ in crore)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a. Consumption of stores and spares	37.82	34.17
b. Power, fuel and water charges	104.95	87.41
c. Repairs and maintenance :		
- plant and machinery	2.53	2.31
- buildings	1.06	0.78
- others	1.21	1.12
d. Product warranties	51.26	79.90
e. Sales promotion expenses	33.21	35.49
f. Commission on sales	18.45	10.48
g. Advertisement and publicity	15.64	16.15
h. Freight and forwarding expenses	191.88	185.85
i. Allowance for doubtful debts / bad debts W/off	2.64	5.12
j. Rent (Refer Note No. 39)	3.30	11.89
k. Rates and taxes	0.24	0.34
l. Insurance	2.57	2.37
m. Postage, and telephone	2.37	2.24
n. Travelling and conveyance	24.52	23.93
o. Loss on discard / disposal of property, plant and equipment	0.11	0.22
p. Corporate social responsibility expenses (Refer Note No. 40)	3.02	2.57
q. Legal and professional expenses	3.61	3.93
r. Auditor's remuneration		
for audit	0.16	0.14
for tax audit	0.06	0.06
for certification work	0.03	0.05
for reimbursement of out of pocket expenses	0.01	-
s. Miscellaneous expenses	76.91	74.43
	<b>577.56</b>	<b>580.95</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 37 OTHER COMPREHENSIVE INCOME

		(₹ in crore)	
		For the year ended 31st March, 2020	For the year ended 31st March, 2019
i	Items that will not be reclassified to profit or loss		
-	Remeasurements of the defined benefit plans	(2.76)	(4.84)
ii	Income tax relating to items that will not be reclassified to profit or loss		
-	Related to remeasurements of the defined benefit plans	0.69	1.69
		<b>(2.07)</b>	<b>(3.15)</b>

### 38 EARNING PER SHARE

		For the year ended 31st March, 2020		For the year ended 31st March, 2019
The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per equity share:				
A	Issued equity shares	No's	5,44,08,974	5,44,08,974
B	Weighted average equity shares outstanding - Basic and Diluted	No's	5,44,08,974	5,44,08,974
C	Net profit after tax	₹ in crore	102.55	120.81
	Basic Earning per equity share ( C/B)	Per / ₹	18.85	22.20
	Diluted Earning per equity share ( C/B)	Per / ₹	18.85	22.20
	Face Value per Equity Share	₹	10.00	10.00

### 39 LEASES

The Group has adopted Ind AS 116 "Leases" effective April 1, 2019 and applied the standard to its Leases using the modified retrospective approach., where in the comparatives for the earlier years have not been retrospectively adjusted. On transition, to the new standards Right-of-use asset of ₹ 15.08 crore have been recognised and an equal amount of lease liability has been accounted for.

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows :

		(₹ in crore)	
		For the year ended 31st March, 2020	For the year ended 31st March, 2019
i	Increase in Lease Liability by	12.94	-
ii	Increase in Rights of use by	11.92	-
iii	Increase/(Decrease) in Finance cost by	1.56	-
iv	Increase/(Decrease) in Depreciation and Amortisation expenses by	6.39	-
v	Increase/(Decrease) in Rental expenses by	(6.93)	-
<b>Carrying value of right- of- use assets at 31st March</b>			
	Balance at 1st April	15.08	-
	Increase in rights of use during reporting period	3.23	-
	Depreciation charged for the year	6.39	-
	Balance at end of the reporting period	11.92	-
<b>Carrying values of lease liabilities</b>			
	Total undiscounted lease liabilities at 31st March	15.14	-
	Less: Future Finance Cost	2.20	-
<b>Total discounted lease liabilities at 31st March</b>		<b>12.94</b>	<b>-</b>
<b>Amounts recognised in profit or loss</b>			
	Interest on lease liabilities	1.56	-
	Amortisation of Right of-Use Assets	6.39	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 40 EXPENDITURE INCURRED ON CORPORATE SOCIAL RESPONSIBILITY

Details of expenditure on Corporate Social Responsibility Activities as per Section 135 of the Companies Act, 2013 read with schedule III are as below: The said amount has been spent through surya foundation.

		(₹ in crore)	
		For the year ended 31st March, 2020	For the year ended 31st March, 2019
A	Gross amount required to be spent by the Company during the year	3.02	2.57
B	Amount spent during the year		
i	Construction/ acquisition of asset	NIL	NIL
ii	On purpose other than (i) above –		
	(a) Rural Development	2.64	2.04
	(b) Naturopathy	0.23	0.41
	(c) Other administrative expenses	0.15	0.12
		<b>3.02</b>	<b>2.57</b>

### 41 CONTINGENT LIABILITIES

		(₹ in crore)	
		As at 31st March, 2020	As at 31st March, 2019
<b>I</b>	<b>Guarantees</b>		
	Bank Guarantees issued by banks for which counter guarantee given by the Group	425.68	386.78
<b>II</b>	<b>Other contingent liabilities</b>		
a)	Export obligation under EPCG Scheme		
	Bonds given to customs of ₹ 3.26 crore (₹ 16.10 crore in previous year)		
	(Duty involved on imports made by the Company)	1.64	6.39
b)	Estimated amount of contract remaining to be executed on capital account and not provided for	10.13	8.60
c)	Claims against the Group not acknowledged as debt	4.79	3.34

### III Entry of Goods into Local Area Act, 2008 :

The Haryana Government levied Local Area Development Tax (The LADT Act) w.e.f. 5th May, 2000, which was declared ultra vires by the Hon'ble Punjab & Haryana High Court on 14th March, 2007. Later on, the Haryana Government has repealed the LADT Act w.e.f. 8th April, 2008 and introduced in its place 'The Haryana Tax on Entry of Goods in to Local Areas Act, 2008' (Rules not notified), which was also held ultra vires by the Hon'ble High Court on 1st October, 2008. Both these Acts were declared unconstitutional on the ground of non-compensatory. Subsequently, on the SLP of the Haryana Government, the Hon'ble Supreme Court Constitutional Bench vide its judgment dated 11th November, 2016 held the applicability of entry tax valid on compensatory ground. However, directed its Divisional Bench for examining the provisions on the issue of discrimination, local area etc. The Divisional Bench remanded back the matters to the Hon'ble Punjab & Haryana High Court on 21st March, 2017 with a direction to file fresh writ petitions in this regard for factual backgrounds and other constitutional statutory issues.

Accordingly, the Group has filed fresh writ petition on 27-05-2017 on the issues left open and the Hon'ble High Court issued order for stay of demand on 31-05-2017 and proceedings are undergoing with the Hon'ble High Court. As neither the Rules of the said Act of 2008 were notified nor the same can be formulated now since the powers given under Entry 52 of the Constitution has been withdrawn by amendment in the constitution of India as on 31st March, 2020. We have also revised our Writ petition on 25th September, 2018 wherein reference based on judgment of Hon'ble High court in CWP No. 20788 of 2015 in which it was decided that in absence of machinery provisions, Act can't be operated. In view of above and based on the facts of our case and consultations made by the Group, a sum of ₹ 33.97 crore (₹ 33.97 crore as on 31st March, 2019) excluding interest has been considered as contingent liability. Accordingly, no provision has been made in accounts.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### IV Income Tax Act.

In respect of Income-tax assessments of the Group (for the financial year 2009-10, 2010-11 & 2012-13) demands of ₹ 56.34 crore were raised wherein, Group had appealed and the cases were decided in favour of the Group by CIT (A). However revenue has preferred an appeal before ITAT. Based on the decision in favour of the Group, interpretations and decisions of appellate authorities and Courts in similar cases and as per the consultations made, the Group is not liable for such demand and accordingly no provision has been made.

### 42 MOVEMENT IN WARRANTY PROVISION

	As at 31st March, 2020	As at 31st March, 2019
(₹ in crore)		
<b>Movement in warranty provision during the financial year are provided below:</b>		
Opening Balance	44.41	26.44
Provision Made	51.26	79.90
Utilised during the year	44.95	61.93
Closing Balance	50.72	44.41

The Group gives warranties on certain products, which fail to perform satisfactorily during the warranty period. Provision made represents the amount of expected cost of meeting such obligation on account of repair/ replacement. It is expected that significant portion of these cost is to be incurred within a period of two years.

### 43 GOVERNMENT GRANTS (INVESTMENT PROMOTION ASSISTANCE)

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

The Group has made investment of ₹ 122.11 crore and ₹ 82.64 crore for establishing manufacturing facilities at Malanpur, a notified backward district of Madhya Pradesh, in the eligible investment period as per the provisions of Madhya Pradesh Industrial Investment Promotion Assistance Scheme- 2004 and 2010 respectively. The Group has been eligible for capital linked grant (to the extent of aforesaid capital investment on satisfying the conditions) up to 27th March, 2020 & 1st March, 2025 respectively.

On GST implementation, the State Government has revised the policy by which the Group continues to be eligible for the said periodical assistance. Accordingly, grants of ₹ 33.78 crore has been accounted as other operating revenue during the current year (₹ 23.22 crore in previous year). The cumulative recognised grants are of ₹ 109.26 crore up to 31st March, 2020 (₹ 75.48 crore up to 31 March 2019), out of which ₹ 73.79 crore remained outstanding as at 31st March, 2020.

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

The Group has made an investment of ₹ 62.64 crore for establishing manufacturing facilities at Hindupur, a notified backward district of Andhra Pradesh, during the eligible investment period, as per the provisions of Andhra Pradesh Industrial Investment Policy (IDP) 2015-2020. The Group has been eligible for Capital linked grant (to the extent of aforesaid capital investment) by way of 50% reimbursement of VAT/CST/SGST paid during the period of 7 years and partial reimbursement of power cost @ Re 1.00 per unit, up to 29th February 2022, on satisfying the conditions mentioned under the scheme.

The Group has recognised grants towards VAT/CST/ SGST of ₹ 8.40 crore during the current year (₹ 6.29 crore in previous year) as other operating revenue. The grant receivable in the form of reimbursement of Power Cost of ₹ 0.94 crore during the year (0.76 crore during the previous year) has been netted from the power cost. The Cumulative recognised grants are of ₹ 19.78 crore up to 31st March, 2020 (₹10.44 crore up to 31st March, 2019), which remained outstanding as at 31st March, 2020.

#### c Gujarat Industrial Policy 2015

The Group has made an investment of ₹ 66.60 crore for 3LPE Coated pipe manufacturing unit at Anjar, Kutch, Gujarat, during the eligible investment period, as per the provisions of Gujarat State Industrial Investment Policy 2015. The Group has been eligible for Capital linked grant (to the extent of aforesaid capital investment) by way of 70% reimbursement of SGST paid during the period of 10 years upto 4th Nov 2028, on satisfying the conditions mentioned under the scheme.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

The Group has recognised grants towards SGST of ₹ 4.25 crore during the current Financial year as other operating revenue. which remained outstanding as at 31st March, 2020.

### d GST Reimbursement against Excise Exemption

The Group's manufacturing unit at Mahuakheraganj, Uttarakhand was under area based excise exemption scheme vide Notification No.50/2003 Dated.10.06.2003 for the period up to 14 December 2019. Accordingly, the products manufactured by the Group were exempted from the payment of excise duty up to 30th June, 2017 and on implementation of GST w.e.f 1st July, 2017, the Group is eligible for the grant for compensating the earlier benefit of excise exemption by way of reimbursement of GST for which required application/ representations have been made. Based on the benefits available under the erstwhile excise exemption scheme, and the scheme announced and the representation made, the Group is entitled for similar benefits under GST regime. Accordingly income of ₹ 4.27 crore recognised as other operating revenue during the current year (₹ 4.83 crore in previous year). The cumulative recognised Grant are of ₹12.70 crore up to 31st March, 2020 (₹ 8.41 crore in previous year) out of which ₹ 10.62 crore remained outstanding as at 31 March 2020 towards reimbursement of GST paid by the unit.

### 44 CURRENT-TAX RATES

Pursuant to the Taxation Laws (Amendment) Act, 2019, tax rates have changed w.e.f. from 1st April, 2019, and accordingly, the Group has exercised the option permitted under Section 115BAA of the Income-Tax Act, 1961 for reduced tax rates. Accordingly current tax expenses have been accounted for.

### 45 PROJECT FOR SUPPLY, IMPLEMENTATION, OPERATION AND MAINTENANCE OF ORISSA GREENFIELD STREET LIGHTING SYSTEM THROUGH SPV GROUP

SRL has been awarded project by Directorate of Municipal Administration, Orissa (DMA) 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 (CIN –U31200DL2019PLC344720) on 21st January, 2019 vide Certificate of Incorporation dated 23rd January, 2019.

The Company has executed Supply Installation Operation and Maintenance (SIOM) Agreement on 29th December 2018 with the DMA and 21 Urban Local Bodies. As per terms of SIOM, the Company had executed shareholder agreement with the SPV on 30th August 2019 and Novation agreement with the DMA and the SPV Company. The Company has committed the funding requirement of SPV for project completion including enhancement in the value of project. The Group has also committed to compensate the losses/ damages, if any.

### 46 PRE-OPERATIVE EXPENSES CAPITALISED DURING THE YEAR:

The Group has incurred capital expenditure for establishing on 3 LPE coating unit at Anjar (Gujarat) , wherein following pre-operative expenses are capitalised

	(₹ in crore)	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Raw materials consumed	Nil	6.73
Employee benefits	Nil	1.57
Borrowing cost	Nil	2.58
Other expenses	Nil	-
Power charges	Nil	2.36
Outward freight	Nil	0.15
Others	Nil	0.65
<b>Total</b>	<b>Nil</b>	<b>14.04</b>
Less: Realisation	Nil	10.54
<b>Total</b>	<b>Nil</b>	<b>3.50</b>

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 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 :**

	Year Ended	
	31st March, 2020	31st March, 2019
Employer's Contribution to defined contribution plans	13.66	13.22

(₹ in crore)

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

	Valuation as at	
	31st March, 2020	31st March, 2019
Attrition rate for various ages in %	1.00 to 5.00	1.00 to 5.00
Discount Rate in %	6.80	7.66
Expected Rate of increase in salary in %	5.35	5.75
Mortality rate - Inclusive of provision for disability	IALM 2012-14	IALM 2006-08
Expected Average remaining working lives of employees (years)	15.71	16.30

- Discount rate is based on the prevailing market yields of Indian Government securities as at the balances sheet date for the estimated term of obligations.
- The assumption of future salary increase takes into account the inflation, seniority, promotion and other relevant factors such as supply and demand in employment market.

**II Movement in Obligation**

Particulars	(₹ in crore)			
	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	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>	45.57	13.08	38.60	11.47
Current Service cost	3.77	1.89	3.37	1.72
Interest cost	3.49	1.00	2.99	0.89
Benefits paid	(2.89)	(1.01)	(4.24)	(3.01)
Actuarial loss / (gain) arising from changes in Demographic assumptions	(0.01)	-	-	-
Actuarial loss / (gain) arising from changes in Financial assumptions	1.90	0.60	0.26	0.08
Actuarial loss / (gain) arising from experience adjustment	0.87	(0.01)	4.58	1.93
<b>Present value of obligation as at the end of the period</b>	<b>52.70</b>	<b>15.55</b>	<b>45.56</b>	<b>13.08</b>

**III Amount recognised in the statement of Profit and Loss:**

Particulars	(₹ in crore)			
	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current Service cost	3.77	1.89	3.37	1.72
Interest cost	3.49	1.00	2.98	0.89
Remeasurement - Actuarial loss/(gain)	-	0.59	-	2.01
<b>Expenses recognised in the statement of Profit and Loss</b>	<b>7.26</b>	<b>3.48</b>	<b>6.35</b>	<b>4.62</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### IV Component of defined benefit costs recognised in other comprehensive income

(₹ in crore)

	Gratuity	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
Actuarial loss / (gain) arising from changes in demographic assumptions	(0.01)	-
Actuarial loss / (gain) arising from changes in Financial assumptions	1.90	0.26
Actuarial loss / (gain) arising from experience adjustment	0.87	4.58
Actuarial loss / (gain) arising on plan asset	-	-
<b>Component of defined benefit costs recognised in other comprehensive income</b>	<b>2.76</b>	<b>4.84</b>

### V Current and non-current provision for Gratuity and Compensated absences

(₹ in crore)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Gratuity	Compensated absences	Gratuity	Compensated absences
Current provision	6.86	3.07	5.55	2.41
Non-current provision	45.82	12.48	40.01	10.67
<b>Total provision</b>	<b>52.68</b>	<b>15.55</b>	<b>45.56</b>	<b>13.08</b>

### VI Maturity profile of Defined Benefit Obligation are as under :-

(₹ in crore)

Particulars	As at 31st March, 2020		As at 31st March, 2019	
	Gratuity	Compensated absences	Gratuity	Compensated absences
0 to 1 Year	6.86	3.07	5.54	2.41
1 to 5 Years	10.72	2.35	6.97	2.25
5 Year Onwards	35.12	10.13	33.06	8.42

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

(₹ in crore)

	Gratuity	
	For the year ended 31st March, 2020	For the year ended 31st March, 2019
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 Group has invested the plan assets in India only with Life insurance corporation of India & SBI Life and closing value of the plan assets are the fair value of plan assets

### VIII Sensitivity Analysis:

Significant actuarial assumptions for the determination of the defined obligation are discount rate, expected salary increase and withdrawal rate. The sensitivity analyses below have been determined based on reasonably possible changes of respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

(₹ in crore)

Particulars	For the year ended 31st March, 2020		For the year ended 31st March, 2019	
	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	(4.06)	(1.29)	(3.64)	(1.16)
One percentage point decrease in discount rate	4.68	1.50	3.91	1.30
One percentage point increase in salary growth rate	4.70	1.51	3.96	1.31
One percentage point decrease in salary growth rate	(4.15)	(1.32)	(3.72)	(1.17)
One percentage point increase in attrition rate	0.42	0.14	0.98	0.36
One percentage point decrease in attrition rate	(0.47)	(0.16)	(1.04)	(0.40)

### Note :

- The sensitivity analysis presented above may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.
- Furthermore, in presenting the above sensitivity analysis, the present value of the defined benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same as that applied in calculating the defined benefit obligation liability recognised in the balance sheet
- There was no change in the method and assumptions used in preparing the sensitivity analysis from prior years.

## 48 RELATED PARTY TRANSACTIONS

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

### List of related parties

#### 1 Key Management Personnel

S.No.	Name	Designation
1	Sh. Jai Prakash Agarwal	Executive Chairman
2	Sh. Raju Bista	Managing Director
3	Sh. Vinay Surya	Whole Time Director
4	Sh. Kaustubh N Karmarkar	Whole Time Director
5	Mrs. Urmil Agarwal	Director
6	Sh. Krishan Kumar Narula	Independent Director
7	Sh. Ravinder Kumar Narang	Independent Director
8	Sh. Tara Sankar Sudhir Bhattacharya	Independent Director
9	Sh. Sudhanshu Kumar Awasthi	Independent Director
10	Sh. Surendra Singh Khurana	Independent Director
11	Sh. Sunil Sikka	Independent Director
12	Sh. R.N. Maloo	ED & Group CFO
13	Sh. Ramanjit Singh	CEO-Lighting Operations
14	Sh. Tarun Baldua	CEO- Steel Operations
15	Sh. B B Singal	Sr. VP & Company Secretary



## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 2 Relatives of key management personnel where transactions have taken place

S.No.	Name of Relatives	Relationship
1	Sh. Rajesh Bista	Brother of Sh. Raju Bista
2	Mrs. Puja Surya	Spouse of Sh. Vinay Surya
3	Master Jaivardhan Surya	Son of Sh. Vinay Surya
4	Smt. Parinistha Surya	Daughter of Sh. Vinay Surya
5	Smt. Vasudha Surya	Daughter of Sh. Vinay Surya

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

#### i Compensation of Key Management Personnel of the Group

		(₹ in crore)	
S.No.	Nature of transaction/ relationship	For the year ended 31st March, 2020	For the year ended 31st March, 2019
a)	Short Term Benefit (See notes below)	12.79	13.09
b)	Directors commission	3.49	4.32
	<b>Total Short-Term benefits</b>	<b>16.28</b>	<b>17.41</b>
c)	Director sitting Fee's	0.24	0.21

#### Notes:

- Short-term benefits comprises the expenses recorded under the head employee benefit expenses (eg. Salary and wages, contribution to provident fund, NPS, Leave encashment payments, and taxable value of perquisites etc..
- The liability for gratuity and compensated absences are provided on actuarial basis , amounts accrued pertaining to key managerial personnel are not included above.
- The remuneration of directors and key executives is determined by the remuneration committee having regard to the performance of individuals and market trends.

		(₹ in crore)	
S.No.		For the year ended 31st March, 2020	For the year ended 31st March, 2019
ii	<b>Loan given to Key Management Personnel</b>		
	Transaction during the year - Loan given / (repaid)	(0.19)	0.36
	Balance at year end	-	0.19
iii	<b>Dividend paid to Key Management Personnel</b>	0.43	0.43
iv	<b>Payment of Salaries and perquisites to relatives of Key Management Personal</b>	0.40	0.34
v	<b>Dividend paid to relatives of Key Management Personnel</b>	0.11	0.11

### 49 SEGMENT INFORMATION

#### Description of segments and principal activities

The Chief operational decision makers (CODM) monitor the operating results of its Business Segments separately for the purpose of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on profit or loss and is measured consistently with profit or loss in the financial statements. Operating segments have been identified on the basis of the nature of products/ services and have been identified as per the quantitative criteria specified in the Ind AS.

Specifically, the Group's reportable segments under Ind AS are as follows:

- Steel Pipe and Strips (comprises Steel pipes and cold rolled strips)
- Lighting and consumer durables (comprises Lamps, fittings, street light, fans, electric appliances and allied items)

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 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:

- These operating segments have similar long-term gross profit margins;
- The nature of the products and production processes are similar; and
- 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:

- Operating revenues and expenses related to both third party and inter-segment transactions are included in determining the segment results of each respective segment.
- Finance expense incurred are not allocated to individual segment and the same has been reflected at the Company level for segment reporting.
- 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.
- Segment liabilities comprise operating liabilities and exclude external borrowings, provision for taxes, deferred tax liabilities and derivative financial liabilities.
- Segment capital expenditure comprises additions to property, plant and equipment and intangible assets (net of rebates, where applicable).
- 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, 2020	For the year ended 31st March, 2019
<b>Segment revenue</b>	Steel Pipe and Strips	4,234.66	4,426.70
	Lighting and consumer durables	1,247.97	1,553.41
		<b>5,482.63</b>	<b>5,980.11</b>
Less : Inter Segment revenue		11.58	5.07
		<b>5,471.05</b>	<b>5,975.04</b>
<b>Segment profit</b> (earning before interest and taxes)	Steel Pipe and Strips	182.03	161.15
	Lighting and consumer durables	72.05	126.41
		<b>254.08</b>	<b>287.56</b>
Finance costs		114.13	115.08
<b>Profit before tax</b>		<b>139.95</b>	<b>172.48</b>
Tax expense		37.40	51.67
<b>Profit after tax</b>		<b>102.55</b>	<b>120.81</b>

### II. Segment Assets and Liabilities

		(₹ in crore)	
Particulars		As at 31st March, 2020	As at 31st March, 2019
Segment assets	Steel Pipe and Strips	1,989.72	1,889.38
	Lighting and consumer durables	972.49	1,112.19
	<b>Total Segment assets</b>	<b>2,962.21</b>	<b>3,001.57</b>
	Unallocated assets	8.81	27.10
		<b>2,971.02</b>	<b>3,028.67</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

(₹ in crore)

Particulars		As at 31st March, 2020	As at 31st March, 2019
Segment liabilities	Steel Pipe and Strips	276.65	371.02
	Lighting and consumer durables	303.50	232.79
	<b>Total Segment Liabilities</b>	<b>580.15</b>	<b>603.81</b>
	Unallocated Liabilities	1,151.65	1,273.00
		<b>1,731.80</b>	<b>1,876.81</b>

### Notes :

I Unallocated assets are comprises of MAT and income tax refundable.

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

### III. Other segment information

(₹ in crore)

Particulars		For the year ended 31st March, 2020	For the year ended 31st March, 2019
Cost incurred on acquisition of Property Plant Equipment	Steel Pipe and Strips	37.89	88.47
	Lighting and consumer durables	12.98	19.93
		<b>50.87</b>	<b>108.40</b>
Depreciation and amortisation expense of Property Plant and equipment	Steel Pipe and Strips	73.71	65.73
	Lighting and consumer durables	23.38	22.78
		<b>97.08</b>	<b>88.51</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, 2020	For the year ended 31st March, 2019
India	4,544.87	5,141.22
Outside India	926.18	833.82
<b>Total</b>	<b>5,471.05</b>	<b>5,975.04</b>

#### b. Non-current assets

(₹ in crore)

Particulars		As at 31st March, 2020	As at 31st March, 2019
Non-Current Assets	Within India	1,129.58	1,166.46
	Outside India	Nil	Nil
		<b>1,129.58</b>	<b>1,166.46</b>

### V. Information about major customers

The group do not have any single customer from whom the revenue is not less than 10 % of the revenue from external customer.

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### 50 EVENTS OCCURRING AFTER THE BALANCE SHEET DATE

Particulars	(₹ in crore)	
	As at 31st March, 2020	As at 31st March, 2019
Dividend proposed for Equity shareholders @ ₹ 2.00 per share (previous year ₹ 2.00 per share)	10.88	10.88
Dividend Distribution Tax	Nil	2.24

World Health Organisation (WHO) declared outbreak of Coronavirus Disease (COVID-19) a global pandemic on 11th March, 2020. Consequent to this, Government of India declared lockdown on 24-03-2020 which has impacted the business activities of the Group. On account of this, the Group has prepared cash flow projections and also, assessed the recoverability of receivables and contract assets using the various internal and external information up to the date of approval of these financial statements. On the basis of evaluation and current indicators of future economic conditions, the Group expects to recover the carrying amount of these assets and does not anticipate any impairment to these financial and non-financial assets. The Group will continue to closely monitor any material changes to future economic conditions.

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

### 51 FINANCIAL INSTRUMENTS

#### Fair value of financial assets and liabilities

The carrying value and fair value of financial assets and liabilities by categories were as follows:

#### As at 31st March, 2020

(₹ in crore)				
S. No.	Particulars	Amortised cost	Fair value (Level 2)	Total carrying value
<b>Assets:</b>				
i	Cash and cash equivalents	1.01	-	1.01
ii	Bank Balances other than (ii) above	0.58	-	0.58
iii	Trade receivables	696.07	-	696.07
iv	Other financial assets	70.93	-	70.93
	<b>Total</b>	<b>768.59</b>	<b>-</b>	<b>768.59</b>
<b>Liabilities:</b>				
i	Non Current Borrowings	328.61	-	328.61
ii	Current Borrowings	761.75	-	761.75
iii	Trade payables	295.11	-	295.11
iv	Other financial liabilities	133.99	-	133.99
	<b>Total</b>	<b>1,519.46</b>	<b>-</b>	<b>1,519.46</b>

#### As at 31st March, 2019

(₹ in crore)				
S. No.	Particulars	Amortised cost	Fair value (Level 2)	Total carrying value
<b>Assets:</b>				
i	Cash and cash equivalents	1.64	-	1.64
ii	Bank Balances other than (ii) above	0.43	-	0.43
iii	Trade receivables	835.32	-	835.32
iv	Other financial assets	84.29	-	84.29
	<b>Total</b>	<b>921.68</b>	<b>-</b>	<b>921.68</b>
<b>Liabilities:</b>				
i	Non Current Borrowings	394.86	-	394.86
ii	Current Borrowings	796.67	-	796.67
iii	Trade payables	350.01	-	350.01
iv	Other financial liabilities	108.89	0.67	109.56
	<b>Total</b>	<b>1,650.43</b>	<b>0.67</b>	<b>1,651.10</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

The fair value hierarchy is based on inputs to valuation techniques that are use to measure fair value that are either observable or unobservable and consists of the following three levels :

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

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs. This includes the assets and liabilities carried at forward contract rates / prevailing exchange rate at year end and assets carried at present value using appropriate discounting rate

Level 3: Inputs which are not based on observable market data.

### 52 FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

The group's risk management policies are established to identify and analyse the risks faced by the Group, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Group's activities. The Audit Committee oversees how management monitors compliance with the Group's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to the risks faced by the Group's. The audit committee is assisted in its oversight role by internal audit. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the audit committee. The group is exposed to financial market risk, credit risk and liquidity risk.

#### I Financial Market risk

Financial market risk is the risk of loss of future earnings, fair values or future cash flows that may result from a change in the price of financial instrument. The value of a financial instrument may change as a result of change in the interest rates, foreign currency exchange rates and other market changes that affect market risk sensitive instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency trade receivables, trade payables and borrowings.

##### a Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. In order to optimize the Group's position with regards to interest and to manage the interest rate risk, finance department performs a comprehensive corporate interest rate risk management by balancing the proportion of fixed rate with reset clause and floating rate financial instruments in its total portfolio. The borrowings of the Group are on floating interest rate along with periodical interest reset.

The Group is not exposed to significant interest rate risk at the respective reporting dates. With all other variables held constant, the following table demonstrates the impact of borrowing cost on floating rate portion of loans and borrowings are taken.

Interest rate sensitivity	Effect on profit before tax	
	Decrease by 50 basis point	Increase by 50 basis point
<b>For the year ended 31st March, 2020</b>	5.45	(5.45)
For the year ended 31st March, 2019	5.96	(5.96)

(₹ in crore)

##### 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 derivate 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, 2020 (Contd.)

The particulars of foreign exchange forward contract taken are given below

	Type	No. of Contract	USD (million)	Equivalent (₹ In crore)
<b>As at 31st March, 2020</b>	Sell	15	13.61	102.96
	Buy	75	50.55	382.51
As at 31st March, 2019	Sell	11	8.58	59.32
	Buy	37	52.32	361.79

The net exposure of foreign currency payments of forward contracts towards pending export/import orders in hands stands at USD 7.74 million (Previous year USD 1.92 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 on trade receivables based on Expected Credit loss (ECL) method based on provision matrix.

#### Trade Receivable

The Group's exposure to credit risk is influenced by the individual characteristics of each customer, Credit risk is managed through credit approvals, establishing credit limits and continuously monitoring the credit worthiness of customers to which the Group grants credit terms in the normal course of business. The Group has a detailed review mechanism of overdue trade receivables at various levels in the organisation to ensure proper attention and focus on realisation.

Summary of the Group's exposure to credit risk by age of the outstanding from various customers is as follows:

Particulars	(₹ in crore)	
	As at 31st March, 2020	As at 31st March, 2019
Not past due	355.03	637.51
1-180 days past due	275.89	155.13
181-365 days past due	30.04	13.88
More than one year	35.11	28.80
	<b>696.07</b>	<b>835.32</b>

#### 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, 2020	As at 31st March, 2019
Opening Balances	11.69	7.08
Add : Impairment loss recognised / reversed	1.73	4.68
Less : Write off of bad debts	7.34	0.07
<b>Closing balance</b>	<b>6.08</b>	<b>11.69</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

### Cash and Cash Equivalents, Deposit in Banks and other Financial instruments

The Group considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Group has also availed borrowings. The Group does not maintain significant cash and deposit balances as it has sufficient vacant cash credit limits with its bankers. For other financial assets the Group monitors ratings, credit spreads and financial strengths of its counterparties. Based on its ongoing assessment of the counter party's risk, the Group adjust its exposures to various counter parties. Based on the assessment there is no impairment in other financial assets.

### III Liquidity risk

Liquidity risk is defined as the risk that the 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 borrowing limit are sufficient to meet its requirement. The Group monitor rolling forecast for its liquidity requirements.

### Maturity profile of financial liabilities

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

(₹ in crore)			
As at 31st March, 2020	Less than 1 year	Above 1 year	Total
Non Current Borrowings	58.58	270.03	328.61
Current Borrowings	761.75	-	761.75
Trade payables	295.11	-	295.11
Other financial liabilities	133.99	-	133.99
<b>Total</b>	<b>1,249.43</b>	<b>270.03</b>	<b>1,519.46</b>
<b>As at 31st March, 2019</b>			
Non Current Borrowings	60.01	334.85	394.86
Current Borrowings	796.67	-	796.67
Trade payables	350.01	-	350.01
Other financial liabilities	109.56	-	109.56
<b>Total</b>	<b>1,316.25</b>	<b>334.85</b>	<b>1,651.10</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 maximize shareholder value. The Board of Directors monitors the return on capital, dividend to shareholders, maintain balance between capital and borrowing in the light of changes in economic environment and the business requirements. In order to achieve this overall objective, the 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, 2020	As at 31st March, 2019
Debt (consist of long term and short term borrowings refer note 17 and 21 )	1,090.36	1,191.53
Less: Cash and cash equivalents	1.01	1.64
Net Debt	1,089.35	1,189.89
Equity	1,239.22	1,151.86
Equity and Net Debt	2,328.57	2,341.75
Gearing ratio in %	46.78%	50.81%

# NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

## FOR THE YEAR ENDED 31st MARCH, 2020 (Contd.)

54 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.

55 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	99.98	1,238.95	99.67	102.21	100.00	(2.07)	99.66	100.14
<b>Indian Subsidiary</b>								
Surya Roshni LED Lighting Projects Limited	0.02	0.27	0.33	0.34	-	-	0.34	0.34
<b>Total</b>	<b>100.00</b>	<b>1,239.22</b>	<b>100.00</b>	<b>102.55</b>	<b>100.00</b>	<b>(2.07)</b>	<b>100.00</b>	<b>100.48</b>

### 56 Approval of Consolidated financial statements

The consolidated financial statements were approved for issue by the Board of Directors on 25th June, 2020

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)

**Ramanjit Singh**  
CEO (Lighting Operations)

**R N Maloo**  
Executive Director  
& Group Chief Financial Officer

**J P Agarwal**  
Chairman  
DIN: 00041119

**CA Ashok Kumar**  
Partner FCA  
Membership No. 17644

**Tarun Baldua**  
CEO (Steel Operations)

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

**Raju Bista**  
Managing Director  
DIN: 01299297

Place : New Delhi  
Dated : 25th June, 2020









# Dil main INDIA

Let's  
illuminate  
the nation  
with  
Make in India



# SURYA

**MADE IN INDIA**

LIGHTING | APPLIANCES  
FANS | STEEL & PVC PIPES

AATMA NIRBHAR BHARAT KI PEHCHAN

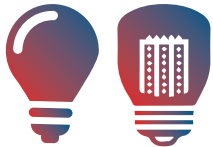
**SURYA ROSHNI LIMITED**

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Tel: +91-11-47108000, 25810093-96 | Toll Free No.: 1800 102 5657



Pipes



Lighting



Fans



Appliances

# SURYA

## SURYA ROSHNI LIMITED

Padma Tower - 1, Rajendra Place

2nd Floor, New Delhi - 110008 (INDIA)

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**Tel.:** +91-11-47108000, 25810093

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**E-mail:** [investorgrievances@sroshni.com](mailto:investorgrievances@sroshni.com)

**Website:** [www.surya.co.in](http://www.surya.co.in)

# 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 Seventh (47th) Annual General Meeting of the members of **SURYA ROSHNI LIMITED** ("the Company") will be held on **Wednesday, the 23rd September, 2020 at 11.00 A.M.**, through Video Conferencing ("VC")/ Other Audio- Visual Means ("OAVM"), to transact the following business:

#### ORDINARY BUSINESS

- To consider and adopt (a) the audited standalone financial statement of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon and (b) the audited consolidated financial statement of the Company for the financial year ended 31st March, 2020 and the report of Auditors thereon. and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as **Ordinary Resolutions:**
  - "RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended 31st March, 2020 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."
  - "RESOLVED THAT** the audited consolidated financial statement of the Company for the financial year ended 31st March, 2020 and the report of Auditors thereon, as circulated to the members, be and are hereby considered and adopted."
- To declare dividend of ₹ 2/- per equity share for the financial year ended 31st March, 2020. 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** a dividend at the rate of ₹ 2.00 (Two rupees only) per equity share of ₹ 10/- (Ten rupees) each fully paid-up of the Company, as recommended by the Board of Directors, be and is hereby declared for the financial year ended 31st March, 2020 and the same be paid out of the profits of the Company for the financial year ended 31st March, 2020."
- To appoint Shri Raju Bista (Director Identification No. – (01299297) 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, Shri Raju Bista (DIN: 01299297), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company."

#### SPECIAL BUSINESS

- To consider and, if thought fit, to pass with or without modification(s), the following resolution as a **Special Resolution:**

**"RESOLVED THAT** pursuant to Section 180(1) (a) and other applicable provisions, if any, of the Companies Act, 2013 read with the Rules made thereunder (including any statutory modifications or re-enactment thereof for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company or a committee of Directors authorised by the Board in this behalf for creating such mortgage and/or charge of all the immovable and movable properties of the Company where so ever situated, present and future and the whole of the undertaking of the Company in favour of IDBI Bank Limited and / or Punjab National Bank, acting for itself and as an agent of Banks / Financial Institutions to secure:

  - Term Loan of ₹ 2,500 lakhs (Rupees Two thousand five hundred lakh only) lent and advanced by Export – Import Bank of India (EXIM) to the Company.
  - The Working Capital Limits including CEL Limits for forward cover of ₹ 2,16,332 lakhs, secured on Second Charge basis, lent and advanced/agreed to be lent and advanced by State Bank of India, Punjab National Bank, IDBI Bank Ltd., Canara Bank, HDFC Bank Limited, Bank of Baroda, DCB Bank Limited and Union Bank of India to the Company,

together with interest thereon at the respective agreed rates, interest tax, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the

Company to State Bank of India, Punjab National Bank, IDBI Bank Ltd., Canara Bank, HDFC Bank Limited, Bank of Baroda, DCB Bank Limited, Union Bank of India and Export Import Bank of India under Loan Agreements entered into/to be entered into by the Company in respect of the aforesaid loans.

**RESOLVED FURTHER THAT** the Board of Directors of the Company or a Committee of Directors authorised by the Board in this behalf be and is hereby authorised to finalise all agreement(s) for creating mortgage and/or charge as aforesaid and to do all such acts, deeds and matter as may be necessary or expedient for giving effect to the above resolution."

- To consider and, if thought fit, to pass with or without modification(s), the following resolution as an **Ordinary Resolution:**

**Registered Office:**

Prakash Nagar, Sankhol,  
Bahadurgarh – 124 507 (Haryana)

**Dated: 25<sup>th</sup> June, 2020**

**"RESOLVED THAT** pursuant to the provisions of Section 148 and such other applicable provisions, if any, of the Companies Act, 2013, (the Act) and the Companies (Audit and Auditors) Rules, 2014, including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force, the Cost Auditor M/s R J Goel & Co. (a Cost Audit firm FRN:000026) appointed by the Board of Directors of the Company to conduct the audit of its cost records for the financial year ending 31st March, 2021 at a remuneration of ₹ 5,25,000 (Rupees Five lakh twenty five 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."

**By order of the Board**

**B. B. SINGAL**  
**SR. V.P & COMPANY SECRETARY**

## NOTES:

- Considering the present Covid-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its circular dated May 5, 2020 read together with circulars dated 8th April, 2020 and 13th April, 2020 (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.
- 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.
- The Members can join the AGM in the VC/OAVM mode 15 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.
- 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.
- In compliance with the MCA Circulars and SEBI Circular dated May 12, 2020, Notice of the AGM along with the Annual Report 2019-20 is being sent only

through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Members may note that the Notice and Annual Report 2019-20 will also be available on the Company's website [www.surya.co.in](http://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](http://www.bseindia.com) and [www.nseindia.com](http://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 25th June, 2020 proposed to be passed in the Annual General Meeting ("meeting") of the Company scheduled to be held on Wednesday, 23rd September, 2020 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:**

**Instructions for members receiving e-mail whose e-mail addresses are registered with the Company for remote e-voting**

- i) Open email and open attached PDF file "e-Voting.pdf" giving your Client ID (in case you are holding shares in demat mode) or Folio No. (In case you are holding shares in physical mode) as password, which contains your "USER ID" and "Password for e-voting". Please note that the password is an initial password. You will not receive this PDF file if you are already registered with NSDL for e-voting.
- ii) If you are holding shares in demat form and had logged on to [www.evoting.nsdl.com](http://www.evoting.nsdl.com) and voted on an earlier voting of any company, then your existing password is to be used. If you forget your password, you can reset your password by using "Forgot User Details / Password ?" or "Physical User Reset Password ?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at toll free No. 1800-222-990
- iii) Launch internet browser by typing the following URL : <https://www.evoting.nsdl.com/>

- iv) Click on "Shareholders/ Members – Login
- v) Put User ID and Password as initial password noted in step (i) above. Click Login.
- vi) Password change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combination thereof. Note New Password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vii) Home page of remote e-voting opens. Click on remote e-voting Active Voting Cycles.
- viii) Select "EVEN" (e-voting event number) of "**Surya Roshni Limited**".
- ix) Now, you are ready for remote e-voting as Cast Vote page opens.
- x) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "CONFIRM", else to change your vote, click on "BACK" and accordingly modify your vote.
- xi) Upon confirmation, the message "Vote cast successfully" will be displayed.
- xii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- xiii) You can also take out print of the voting done by you by clicking on "click here to print" option on the voting page.
- xiv) Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to send a scanned copy (PDF /JPG Format) of the Board Resolution /Authority Letter / Power of Attorney (POA) etc. together with attested specimen signature of the authorised signatory(ies) who are authorised to vote, to the Scrutinizer through e-mail to [sgsdel@gmail.com](mailto:sgsdel@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)

In case of any grievance connected with the facility for voting by electronic means, Members can directly contact Ms. Pallavi Mhatre, Manager NSDL, 4thFloor, 'A' Wing, Trade World, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai- 400 013 at 022-2499 4545 or Email id: [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or [pallavid@nsdl.co.in](mailto:pallavid@nsdl.co.in), Toll free no.: 1800-222-990. Members may also write to the Company Secretary at the Email id: [cs@surya.in](mailto:cs@surya.in) or to the RTA at [info@masserv.com](mailto:info@masserv.com)



## General Instructions:

- a) The remote e-voting period begins on Saturday, 19th September, 2020 at 9.00 a.m (IST) and ends on Tuesday, 22nd September, 2020 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 16th September, 2020, 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. 16th September, 2020, 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. 16th September, 2020, may 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 [info@masserv.com](mailto:info@masserv.com). If the member is already registered with NSDL than he can use his/her existing user ID and password to cast the vote through remote e-voting.
- d) In case you have any queries or issues regarding remote e-voting, you may refer the Frequently Asked Questions ("FAQs") and remote e-voting manual available at [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no. 1800-222-990.
- e) The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the company as on the cut-off date of 16th September, 2020,
- f) 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.
- g) Members who have cast their vote through remote e-voting prior to the meeting may attend the meeting but shall not be allowed to cast their vote again.
- h) The Board of Directors has appointed SGS Associates (Company Secretaries Firm) 14, First floor, Rani Jhansi Road, New Delhi – 110055 as Scrutinizer for conducting the e-voting process.
- i) At the end of the Annual General Meeting voting exercise, Scrutinizer will download the entire voting data using its scrutinizer login.
- j) The Scrutinizer will submit his final report after the conclusion of voting at the Annual General

Meeting but not later than 48 hours from the conclusion of the Annual General meeting.

- k) The Chairman of the meeting shall announce the result of voting on the resolutions taken up at the 47th Annual General Meeting on or after submission of final report by the Scrutinizer.
- l) The results along with the Scrutinizer's Report, will be placed on the Company's website at [www.surya.co.in](http://www.surya.co.in) and the website of NSDL immediately after the result is declared. The results shall simultaneously be communicated to the Stock Exchange where the securities of the Company are listed. The resolutions will be deemed to be passed on the date of AGM subject to receipt of the requisite number of votes in favour of the resolutions.

## 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 same as the instructions mentioned above for remote e-voting.
- 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:

- i) Members will be provided with a facility to attend the AGM through VC through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members login by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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. Further members can also use the OTP based login for logging into the e-Voting system of NSDL.

- ii) Members are encouraged to join the Meeting through Laptops for better experience.
- iii) Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- iv) 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.
- v) 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 2019-20**

- 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 by sending scanned copy of a duly signed letter by the Member(s) alongwith KYC from as appended 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 2019-20 along with AGM Notice by email to [info@masserv.com](mailto:info@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 [info@masserv.com](mailto:info@masserv.com).

- ii) A member can also register his/her email address and contact details with us, by writing to us addressed to the Secretarial Department at our Corporate Office, or at our E-mail ID: [investorgeivances@sroshni.com](mailto:investorgeivances@sroshni.com). This will help us 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, in respect of item no. 4 to 5 are annexed hereto.
8. The recorded transcript of the forthcoming AGM on 23rd September, 2020, shall also be made available on the website of the Company [www.surya.co.in](http://www.surya.co.in).
9. The dividend on Equity Shares, if declared at the Annual General Meeting, will be payable to those shareholders whose names appear on the Company's register of members on 4th September, 2020 (record date). In respect of shares held in dematerialised form, the dividend shall be payable on the basis of beneficial ownership as on 4th September, 2020, as per the details furnished by National Securities Depository Ltd./ Central Depository Services (India) Ltd. for the purpose, as on that date.
10. 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 33,764 equity shares to IEPF Account as tabulated below in respect of which dividend stands unclaimed for a continuous period of seven years starting from F.Y - 2012-13 onwards.

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

Year	Total No. of Shareholders at the beginning of the year	Outstanding Shares in IEPF demat suspense account at the beginning of the year	Total No. of Shareholders whose shares are transferred to IEPF demat account during the year	Total No. of Shares transferred to IEPF account during the year	Total No. of Shareholders who approached the company for transfer of shares from IEPF account during the year	No. of Shares Transferred from IEPF Account during the year	Outstanding Shares in demat account lying at the end of the year.	Voting Rights Frozen
2012-13	1480	1,65,073	-	-	6	645	1,64,428	Yes
<b>Total</b>	<b>1480</b>	<b>1,65,073</b>	<b>-</b>	<b>-</b>	<b>6</b>	<b>645</b>	<b>1,64,428</b>	

Further, the Company has transferred 33,764 equity shares comprising 273 cases to IEPF Account in respect of which dividend stands unclaimed for a continuous period of seven years starting from financial year 2012-13 on 18th May, 2020.

The Company has uploaded full details of such shareholders and shares transferred to IEPF Account on its website [www.surya.co.in](http://www.surya.co.in). Any future dividend / benefits, if any, in respect of shares so transferred shall also be credited to the IEPF Fund. After the shares are transferred to the IEPF Account, the claimant can claim those shares in accordance with the procedure and on submission of necessary forms and documents to the IEPF Authority.

- Pursuant to the provisions of Section 125 of the Companies Act, 2013, dividend, which remains unpaid or unclaimed for a period of seven years will be transferred to the Investor Education & Protection Fund of the Central Govt. Members who have not encashed their dividend warrant so far for the financial year ended 31st March, 2013, or any subsequent financial year(s), the details of which are available at the following link.

[https://surya.co.in/sadmin/upload/153241\\_Form\\_IEPF-2-31.03.2019.pdf](https://surya.co.in/sadmin/upload/153241_Form_IEPF-2-31.03.2019.pdf)

are requested to address their claim with supporting documents to Registrar & Transfer Agent - MAS Services Limited (Unit Surya Roshni Limited) T- 34, 2nd floor, Okhla Industrial Area, Phase II, New Delhi - 110 020 or to the Company at 2nd floor, Padma Tower-I, 5 Rajendra Place, New Delhi - 110 008.

- Pursuant to Regulation 39(4) read with Schedule VI of SEBI (Listing Obligations and Disclosure Requirement) Regulations 2015, and in compliance with the provisions of Section 124(5) and (6) of the Companies Act, 2013 read with Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules 2017 ('IEPF Rules') the Company out of unclaimed equity shares of 10 shareholders comprising 1408 equity shares

lying in the escrow account titled "Surya Roshni Limited – Unclaimed Suspense Account" maintained with National Securities Depository Limited has transferred shares of 8 shareholders comprising 1233 equity shares to IEPF Authority Account and balance 2 shareholders comprising 175 equity shares stands in the Unclaimed suspense account as on date of this Notice. No shareholders whose shares are lying in the above mentioned escrow unclaimed suspense account have claimed their shares during the Financial Year 2019-20 Members who have not claimed their shares lying in Unclaimed Suspense Account are requested to address their claim with supporting documents to Registrar & Transfer Agent - MAS Services Limited (Unit Surya Roshni Limited) T- 34, 2nd floor, Okhla Industrial Area, Phase II, New Delhi - 110 020 or to the Company at 2nd floor, Padma Tower-I, 5 Rajendra Place, New Delhi - 110 008.

- Pursuant to SEBI Circular SEBI/HO/MIRSD/DOP1/CIR/P/2018/73 dated 20th April, 2018 in regard to Strengthening the guidelines and Raising Industry Standards for RTA, Issuer Companies and Bankers to an Issue, the provision has been made with regard to payment of Dividend through electronic channels. Members are requested to update their KYC details along with ECS Mandate holding shares in physical form in the form appended below with the Company Registrar (RTA) MAS Services Ltd, T-32, 2nd floor, Okhla Industrial Area, Phase-II, New Delhi - 110020 India or with their concerned depository (if shares are held in demat form).
- The SEBI has mandated the submission of the Permanent Account Number (PAN) by every participant in the securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their depository participant(s). Members holding shares in physical form are required to submit their PAN details to the Registrar and Share Transfer Agent MAS Services Limited, T-34, 2nd floor, Okhla Industrial Area, Phase - II, New Delhi -110020.

Further, TDS @ 20% with surcharge and cess will be deducted in case PAN is not provided / not available under section 206AA of the Income Tax Act, 1961 as already prior intimated to you separately.

15. Pursuant to Section 72 of the Companies Act, 2013 read with Rule 19(1) of the Rules made thereunder, Shareholders are entitled to make nomination in respect of shares held by them in physical form. Shareholders desirous of making nominations are requested to send their requests in Form SH.13.
16. 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](mailto:investorgrievances@sroshni.com) on all working days till the date of AGM.

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".**

Shri Raju Bista, aged about 34 years, an MBA is the young and dynamic Managing Director of the Company with an overall experience of over a decade at Senior Management level. He has been the growth engine which yielded profitable growth for the Company. Under his dynamic leadership, Company has successfully forayed into the fans and

home appliances segment. His discipline, dedication, visionary power and relentless efforts has helped in achieving the overall development of the Company.

The journey of Mr. Raju Bista started when he joined Surya Foundation, an NGO to fulfil the deep rooted desire to work for the nation, build a better future for each citizen to thrive and guide the youth of our country to reach their full potential. He was identified as a leader from a very early age and appointed as the director of the Company in 2009.

His understanding of the business environment, formulating effective strategy, team building skill with mutual trust, ability to mentor the team and his own hard work had not gone unnoticed. His decisive role in the development of the Company both in scale and product quality was rightly acknowledged and appreciated. The board of directors appointed him as the Managing Director of the Company in the year 2012 entrusting him with responsibility of managing the Company.

Considering his deep involvement and association with the industry, he has become the President of ELCOMA. He is also the Member of Parliament.

He is not holding Directorship / Committee Position in any other Company except Surya Roshni Limited where he is also a member of Stakeholder's Relationship Committee, Corporate Social Responsibility Committee and Committee of Directors. He has not having any inter-relationship between other Directors of the Company. Further he is not holding any shares of the Company directly or as beneficial holder for any other person.

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

The Company has availed / been sanctioned the Term Loans from Export – Import Bank of India and the revised working capital limits from consortium Banks i.e. State Bank of India, Punjab National Bank, IDBI Bank Ltd., Canara Bank, HDFC Bank Limited, Bank of Baroda, DCB Bank Limited and Union Bank of India for its Steel Pipes & Strips and Lighting Segments. The details are as under:

- a) Term Loan of ₹ 2,500 lakhs (Rupees Two thousand five hundred lakhs only) lent and advanced by Export – Import Bank of India (EXIM) to the Company.
- b) The Working Capital Limits including CEL Limits for forward cover of ₹ 2,16,332 lakhs, secured on Second Charge basis, lent and advanced/agreed to be lent and advanced by State Bank of India, Punjab National Bank, IDBI Bank Ltd., Canara Bank, HDFC Bank Limited, Bank of Baroda, DCB Bank Limited and Union Bank of India to the Company.

The financial assistance together with interest thereon at the respective agreed rates, interest tax, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company to State Bank of India, Punjab National Bank, IDBI Bank Ltd, Canara Bank, HDFC Bank Limited, Bank of Baroda, DCB Bank Limited, Union Bank of India and Export Import Bank of India under Loan Agreements entered into/to be entered into by the Company in respect of the aforesaid loans have to be secured by a joint mortgage of all the immovable and movable properties of the Company, present and future.

Section 180(1)(a) of the Companies Act, 2013 provides inter alia that the Board of Directors of a Public Company shall not, without the consent of shareholders of such Public Company in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking. Since the mortgage by the Company of its immovable and movable properties

as aforesaid in favour of the Lenders may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a **Special Resolution** under Section 180(1)(a) of the Companies Act, 2013, before creation of the said mortgage/charge.

The Board of Directors recommends the resolution(s) as set out in item No.4 for the approval of the shareholders as a **Special Resolution**.

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 Board of Directors of the Company, on the recommendation of the Audit Committee in their meeting held on 25th June, 2020 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, 2021 at a remuneration of ₹ 5,25,000/-

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. 5 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, 2021.

The Board of Directors recommends the resolution set out in item No.5 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.

By order of the Board

## Registered Office:

Prakash Nagar, Sankhol,  
Bahadurgarh – 124 507 (Haryana)

Dated: 25<sup>th</sup> June, 2020

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

# **SURYA**

## **SURYA ROSHNI LIMITED**

**CIN -L31501HR1973PLC007543**

2nd Floor, Padma Tower-1, Rajendra Place, New Delhi-110 008

Ph.: +91-11-25810093-96, 47108000 Fax: +91-11-25789560

E-mail : cs@surya.in Website : www.surya.co.in

Dear Member,

### **Sub: Updating KYC Details in the Master Data**

In order to ensure that all communications and monetary benefits are received promptly by all Shareholders holding shares in physical form, the Company, through periodic communiques, advises such shareholders to notify to the Company, any change in their address/ bank details /email Id etc. under the signatures of sole/ first named joint holder along with relevant supporting documents.

SEBI vide its Circular dated 20th April, 2018 had also greatly emphasised on collection of the Bank Account details and the PAN details of the shareholders in order to enable Companies/ RTA to raise standards and provide improved services to the Shareholders.

In this background, we are attaching herewith a KYC Form for all the shareholders holding shares in physical form to get all their details updated in the Master Data.

### **Kindly note that this Form is only for the purpose of master data Updation of Shareholders holding Shares in Physical form.**

In case of Dematerialised Shareholding, the Company takes note of the details furnished only by the Depositories, whenever such information is available. You are therefore requested to provide such information only to your Depository Participant (DP), in case the shares are held in demat form.

We recommend and request you to your details updated in the master data and submit the attached KYC Form to the Company Registrar & Transfer Agent - MAS Services Limited (Unit Surya Roshni Limited) T- 34, 2nd floor, Okhla Industrial Area, Phase II, New Delhi – 110 020

Assuring you of our best services.

Thanking you.

Yours faithfully,

For **Surya Roshni Limited**

**B. B. SINGAL**

**SR. V.P & COMPANY SECRETARY**

ENCL.: KYC FORM

**KYC FORM**  
(Only for physical shareholding)

To, Date: \_\_\_\_//\_\_\_\_//\_\_\_\_

**MAS Services Limited**  
**Registrar & Transfer Agent (RTA)**  
**(Unit: Surya Roshni Limited)**  
T-34, 2nd floor  
Okhla Industrial Area,  
Phase-II  
New Delhi – 110020

**Folio No:** \_\_\_\_\_

**No of Shares:** \_\_\_\_\_

Dear Sir/ Madam,

We wish to update the KYC and in this matter are forwarding herewith the required supporting documents by ticking in the appropriate checkbox below

**A For registering PAN of the registered and/ or joint shareholders (as applicable)**

Registered shareholder       Joint holder 1       Joint holder 2       Joint holder 3

Please attach self- attested legible copy of PAN card (exempted for Sikkim Shareholders).

**B For registering Bank details of the registered shareholder**

**1. In cases wherein the original cancelled cheque leaf has the shareholder's name printed on it**

Aadhaar card     Passport     Latest Utility bill     Original cancelled cheque leaf

**2. In cases wherein the cancelled cheque leaf does NOT contain the shareholder's name printed on it**

Aadhaar card     Passport     Utility bill     Bank Pass Book / Statement with original cancelled cheque leaf

Please note that bank passbook/ Bank Statement should be duly attested by the officer of the same bank with his signature, name, employee code, designation, bank seal & address stamp, phone no. and date of attestation.

**C For updating the Specimen Signature of the registered and/ or joint shareholders**

**1. In cases wherein the original cancelled cheque leaf has the shareholder's name printed on it**

Affidavit       Bankers Verification       Original cancelled cheque leaf

**2. In cases wherein the cancelled cheque leaf does NOT contain the shareholder's name printed on it**

Affidavit     Bankers verification     Original cancelled cheque leaf     Bank Pass Book / Statement

• Please note that Bank passbook/ Bank Statement should be duly attested by the officer of the same bank with his/ her signature, name, employee code, designation, bank seal & address stamp, phone no. and date of attestation.

**D For Updating the email id for the purpose of receiving all communications in electronic mode**

\_\_\_\_\_

**E For updating the Mobile No**

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I /We hereby state that the above mentioned details are true and correct and we consent towards updating the particulars based on the self-attested copies of the documents enclosed with this letter by affixing my/our signature(s) to it

Sign: \_\_\_\_\_  
Registered holder

Sign: \_\_\_\_\_  
Joint holder 1

Sign: \_\_\_\_\_  
Joint holder 2

Sign: \_\_\_\_\_  
Joint holder 3

Name: \_\_\_\_\_

## ECS (ELECTRONIC CLEARING SERVICE) MANDATE FORM FOR PAYMENT OF DIVIDEND

Date: .....

**MAS Services Limited**

**Registrar & Transfer Agent (RTA)**

**(Unit: Surya Roshni Limited)**

T-34, 2nd floor

Okhla Industrial Area, Phase-II

New Delhi – 110020

Dear Sir,

I wish to participate in the Electronic Clearing Services and given below the details of my bank account, to which you may electronically credit the payment due to me against the reference folio number mentioned below:

1	Name of the First holder (IN BLOCK LETTERS)	
2	Registered FOLIO NO.	
3	PAN <b>(Please attach Self-attested photocopy of PAN card)</b>	
4	E-mail Id	
5	Telephone/ Mobile No.	
6	Name of the Bank	
7	Branch Name & Address	
8	Account Number (as appearing on your Cheque Book)	
9	Account Type (Saving Bank A/c, Current A/c or Cash Credit A/c)	
10	9 digit code number of the Bank & Branch appearing on the MICR Cheque issued by the Bank. <b>(Please attach a cancelled Cheque leaf for verifying accuracy of IFSC and MICR Code Number)</b>	

I hereby declare that the particulars given above are correct and complete. I undertake to inform of any subsequent changes in the above particulars. If the ECS payment transaction is delayed or not effected for any reasons I would not hold the Company responsible.

\_\_\_\_\_  
Signature of the first named shareholder

Name

Address

Tel No.

**NOTE: Shareholders are requested to enclose the following without fail.**

**MANDATORY ENCLOSURES: -**

**1. Self-attested copy of PAN Card of the Sole/ First Shareholder.**

**2. Copy of / Cancelled Cheque Leaf of the Bank Account bearing shareholder's Name. In case the cheque does not bear the name, please submit copy of bank passbook /statement attested by your Bank.**

**NOTE: In case of shares held in demat form, the above particulars for ECS Facility have to be provided to your depository Participant (DP), quoting your Client ID No. to them.**