

EXCELLENCE ILLUMINATED



ANNUAL REPORT
2007 - 08



SURYA ROSHNI LIMITED

Audited Financial Results

(Rs. in Crores)

Year March Ending	2004-05	2005-06	2006-07	2007-08
Turnover	1179.18	1218.57	1302.64	1485.10
Profit Before Interest, Depreciation & Tax	66.39	83.85	80.69	91.15
Profit Before Depreciation & Tax	41.83	56.18	49.47	53.08
Profit Before Tax	17.34	28.71	22.94	27.49
Profit After Tax	12.49	18.69	14.81	20.41
Dividend (%)	12.00	15.00	15.00	15.00
Net Worth				
Share Capital	25.40	28.43	28.43	28.43
Reserves	112.12	129.78	139.52	154.61
Total	137.52	158.21	167.95	183.04
Gross Fixed Assets	547.82	574.17	625.80	637.70



State-of-the-art CFL Chain (From GE Hungary)



SURYA ROSHNI LIMITED

BOARD OF DIRECTORS

B. D. Agarwal	Chairman and Managing Director
B. B. Chadha	
G. S. Gupta	
K. K. Narula	
M. G. Bakre	IDBI Nominee
Rajendra Arya	
Urmil Agarwal	
J. P. Agarwal	Vice-Chairman and Joint Managing Director

MANAGEMENT EXECUTIVES

S. N. Bansal	Executive Director & CFO
Arvind Bansal	President
Sanjay Goel	Sr. Vice-President-Corporate
Vineet Garg	Sr. Vice-President-Corporate
Anil Bansal	Vice-President-Commercial
S. K. Bhasin	Vice-President-(Pipe Division)
A.N. Banerjee	Vice-President-(CR Division)

COMPANY SECRETARY

B. B. Singal

STATUTORY AUDITORS

Sastry K. Anandam & Company
Chartered Accountants

COST AUDITORS

R. J. Goel & Co.	Lighting Division
H. R. Singal	Steel Division

BANKERS

State Bank of India
Punjab National Bank
IDBI Bank Ltd.
State Bank of Patiala

REGISTERED OFFICE AND WORKS-STEEL DIVISION

Prakash Nagar, Sankhol, Bahadurgarh-124507 (Haryana)
E-mail : surya_roshni@satyam.net.in

WORKS-LIGHTING DIVISION

7 k.m. Stone, Kashipur-Moradabad Road,
Kashipur-244713 Distt. Udham Singh Nagar (Uttarakhand)
E-mail:slrks@nda.vsnl.net.in
J - 7, 8 & 9, Malanpur Industrial Area
Malanpur, District Bhind (Madhya Pradesh)
E-mail : srlmlpr@sancharnet.in

CONTENTS

PAGE NO.

Notice	2
Management Discussion & Analysis	4
Directors' Report	6
Report on Corporate Governance	11
Auditors' Report	16
Balance Sheet	18
Profit & Loss Account	19
Schedules	20
Balance Sheet Abstract	37
Cash Flow Statement	38



NOTICE

Notice is hereby given that the Thirty Fifth Annual General Meeting of the members of SURYA ROSHNI LIMITED will be held on Wednesday, the 24th September, 2008 at 10.30 A.M., at the Registered Office of the Company at Prakash Nagar, Sankhol, Bahadurgarh 124 507 (Haryana) to transact the following business:

ORDINARY BUSINESS

1. To consider and adopt the Audited Accounts of the Company and the Reports of Directors and Auditors thereon for the year ended 31st March, 2008.
2. To declare dividend.
3. To appoint a Director in place of Shri Rajendra Arya, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri K K Narula, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

6. To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

"RESOLVED THAT the consent of the Company be and is hereby accorded in terms of Section 293(1)(a) and other applicable provisions, if any, of the Companies Act, 1956 to mortgaging and/or charging by the Board of Directors of the Company of all the immovable and movable properties of the Company wheresoever situated, present and future and the whole of the undertaking of the Company in favour of Industrial Development Bank of India Ltd. (IDBI Ltd.) acting for itself and as agent of Banks/Financial Institutions to secure:

The Working Capital Limits of Rs.26000 lac, secured on Second Charge basis, lent and advanced / agreed to be lent and advanced by State Bank of India, Punjab National Bank, State Bank of Patiala and Industrial Development Bank of India Ltd to the Company. The details are as under:-

S. No.	Consortium Banks	(Rs. In Lac)
1	State Bank of India	12700
2	Punjab National Bank	10600
3	State Bank of Patiala	1700
4.	Industrial Development Bank of India Ltd	1000
	Total	26000

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 IDBI Ltd., State Bank of India, State Bank of Patiala, and Punjab National Bank 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."

By Order of the Board

Registered Office :

Prakash Nagar, Sankhol,
Bahadurgarh - 124 507 (Haryana)
Dated : 21st May, 2008

B. B. SINGAL
COMPANY SECRETARY

NOTES

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THIS ANNUAL GENERAL MEETING MAY APPOINT A PROXY TO ATTEND AND VOTE ON A POLL ON HIS BEHALF. A PROXY NEED NOT BE A MEMBER OF THE COMPANY.

Proxies, in order to be effective, must be received at 408, Padma Tower-I, Rajendra Place, New Delhi - 110 008 or Registered Office, not less than forty-eight hours before the commencement of this Annual General Meeting i.e. before 10.30 a.m. on 22nd September, 2008.

2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item no. 6 is annexed hereto.
3. The Register of Members and Share Transfer books of the Company will remain closed from 09.09.2008 to 13.09.2008 (both days inclusive).
4. Members are requested to forward their change of address notifications, Bank Account details including 9 digit MICR number appearing on the cheque pertaining to the respective bank account to facilitate distribution of dividend through Electronic Clearing Service (ECS) to the Company / Registrar and Transfer Agent - Mas Services Ltd., AB-4, Safdarjung Enclave, New Delhi - 110 029, in respect of Shares held in physical form and to their respective Depository Participants if the shares are held in electronic form.
5. Pursuant to Section 205A of the Companies Act, 1956, dividend, which remains unpaid or unclaimed for a period of seven years will be transferred to the Investor Education & Protection Fund of the Central Government.

Members who have not encashed their dividend warrant so far for the financial year ended 31st March, 2001, or any subsequent financial year(s) are requested to address their claim to The Company Secretary, Surya Roshni Limited, 408, Padma Tower-I, 5, Rajendra Place, New Delhi - 110 008.

6. **Information provided as per Clause 49VI(A) of the Listing Agreement.**

The following are the details of the directors seeking reappointment or recommended to be appointed as a Director :

Shri Rajendra Arya, aged about 39 years, has been a director of the Company since November, 1997. He is member of Company's Remuneration and Shareholders / Investors' Grievance Committees and is a director in Surya Manufacturing India Ltd. Shri Arya holds degree in B.E. (CIVIL) from Malaviya Regional Engg. College, Jaipur in the year 1993. He has a rich experience of over 14 years in the administrative field. Further he is holding 200 shares of the Company.

SURYA ROSHNI LIMITED

Shri. K.K. Narula, aged about 69 years, has been the director of the Company since, March, 2000. He is the Chairman of the Company's Audit Committee and member of the Remuneration and Shareholders / Investors' Grievance Committees. He does not hold directorship in any other company. Shri Narula is a M.Com. from the University of Delhi and also a Certified Associate of Indian Institute of Bankers (CAIIB). He has a vast experience of over 45 years in the field of Banking and Finance. He retired as Chief General Manager from SBI Chandigarh (LHO) and is currently working as Banking and Management Consultant. Further he is not holding any shares of the Company.

EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 6

The Company has been sanctioned the working capital limits from consortium Banks i.e. State Bank of India, Punjab National Bank, State Bank of Patiala and Industrial Development Bank of India Ltd. for its Steel and Lighting Divisions. The details are as under:

The Working Capital Limits of Rs.26000 lac, secured on Second Charge basis, lent and advanced/agreed to be lent and advanced by State Bank of India, Punjab National Bank, State Bank of Patiala and Industrial Development Bank of India Ltd. to the Company.

S. No.	Consortium Banks	(Rs. In Lac)
1	State Bank of India	12700
2	Punjab National Bank	10600
3	State Bank of Patiala	1700
4.	Industrial Development Bank of India Ltd	1000
	Total	26000

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 IDBI Ltd., State Bank of India, State Bank of Patiala and Punjab National Bank 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 293(1)(a) of the Companies Act, 1956, provides inter alia that the Board of Directors of a Public Company shall not, without the consent 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 resolution under Section 293(1)(a) of the Companies Act, 1956, before creation of the said mortgage/charge.

Copy of the Loan Agreement(s) executed between the Company and Lenders and copies of the relevant documents / correspondence between the said Lenders and the Company are open for inspection at the Registered Office of the Company between 11.00 A.M. to 1.00 P.M. on any working day prior to the date of the meeting.

None of the Directors of the Company is in any way, concerned or interested in the resolution.

By Order of the Board

Registered Office :

Prakash Nagar, Sankhol,
Bahadurgarh - 124 507 (Haryana)
Dated : 21st May, 2008

B. B. SINGAL
COMPANY SECRETARY



MANAGEMENT DISCUSSION AND ANALYSIS

PROFILE

Since its inception in 1973, when SURYA set up a Steel Tubes manufacturing plant in Haryana, by keeping the pace with the changing times and constantly focusing on higher goals it diversified into manufacturing of Lighting products in 1984. It implemented a major expansion and backward integration programme in 1990s, which resulted into timely availability of good quality of material at cost effective prices. Over almost a period of 35 years SURYA ROSHNI LIMITED is now a leading manufacturing company in lighting and Steel Tubes Industry. By adopting cost effect relationship and no compromise with quality Company becomes the leader in Steel Tubes/ Pipes market and amongst the Largest lighting Companies in India.

The hallmark in today's competitive market is global presence. Today, Surya finds itself in 48 countries and is in direct competition with world famous manufacturers. Its brand name is available at some of the world's best outlets. Surya is the first Indian lighting company to get the prestigious CE mark on its GLS & FTL for meeting European Safety Standards. The CE mark is mandatory for companies to enter European markets. In today's global economy quality indicates the parameter of company's success. Your company's success both domestic and globally is due to adoption of higher level of quality controls which now becomes the driving force of our success. Your company succeeded in bench-marking quality and innovation standards by achieving the ISO 9002 in the year 1999. The company was awarded ISO-14001 and OHAS-18001 certifications related to environment and safety respectively.

INDUSTRY STRUCTURE AND DEVELOPMENT

Company experienced a cutthroat competition from other established market players and unorganized sectors, but still lighting division is witnessing steady growth in turnover and profit. The following may impact the market in the coming years :

- Small Scale Industry in GLS and FTL
- Shift from traditional to innovative lamps and systems

To overcome these problems the company has started manufacturing of Energy Saving Lamps (CFL) and likely to start business in innovative lamps.

The Steel Tubes industry too witnessed growth during the year under review and the market growing steadily due to the boom in infrastructure sector. There is tremendous scope for export of ERW Steel Pipes as well as Cold Rolling particularly to Canada, U.S.A. and European Countries including U.K, Germany and Belgium etc. The future is likely to see only those companies successful, which have their products priced competitively and to sell their products in the international market. All possible efforts are being made by your company to reduce costs without compromising on the quality of the product and increase the export.

SWOT ANALYSIS

Strengths :

- Well focused vision of the Management
- Complete backward integration
- High quality of products
- Nation-wide marketing network

Weaknesses :

- Diminishing margin of profit on the products
- Uncertainties of external market forces

Opportunities :

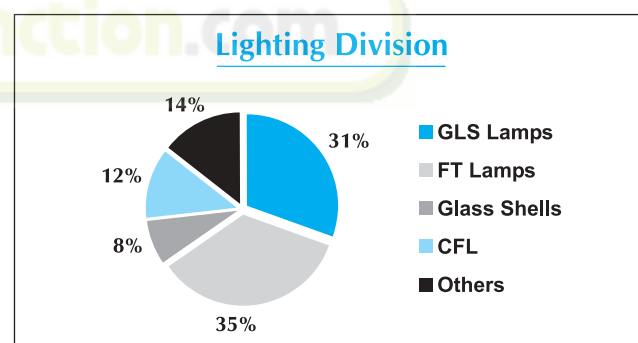
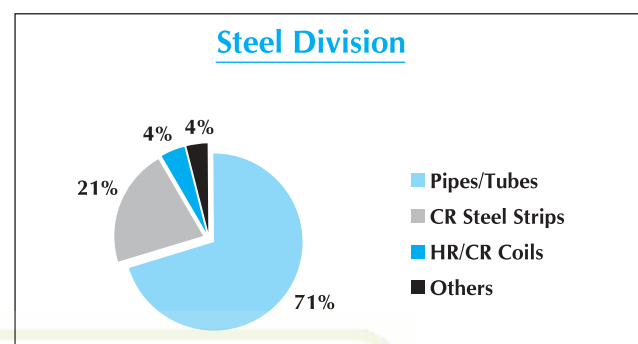
- Potential increase in demand of energy efficient products
- Untapped potential in outsourcing and marketing of Luminaries
- Increase in demand of regular lighting products with a general improvement in the power condition in urban as well as rural sectors and increase in spending on infrastructure development

Threats :

- Tough competition from multi-national companies
- Unbranded products from the unorganised sector

SEGMENT-WISE PERFORMANCE

The company is broadly divided into two main segments viz. Steel and Lighting. During the year under review, the revenue distribution of various products of the two divisions was as under:



A detailed note on the segment-wise performance is given under the Notes on Accounts, forming a part of annual accounts of the company.

OUTLOOK

- The Government is giving continuous thrust on housing and infrastructure sector where Steel Tubes and Pipes are used. The existing refineries are expanding their capacities and new refineries are coming into the scene. In future also there seems to be a tremendous scope for export in ERW Pipes as well as Cold Rolling particularly to Canada, USA and other European Countries. The government spending on infrastructure development is also expected to increase the demand of pipes every year. With the easy availability of finance and tax incentives, it is expected that housing sector will get a major boost. In view of the same, the long term outlook of the Company remains positive. Steel Division of the Company has been

SURYA ROSHNI LIMITED



approved for production of API-5L Grade X-70 Pipes, which is a matter of pride for us and which will enable us to tap huge demand available in the market.

- With a general improvement in the power condition in urban as well as rural sectors and increase in spending on infrastructure development in the coming years, there is always an increase in demand of regular lighting products. Keeping in view the growing demands of Energy Saving Lamps and various Governments drive in this direction, we have already started manufacturing of total range of Energy Saving Lamps (CFL) and likely to start business in innovative lamps. Through the well focused vision of the management, company will be able to produce land mark results in future.

RISKS AND CONCERNS

Technology obsolescence is an inherent business risk in a fast changing world and speed of change and adaptability is crucial for survival of business. Government energy policy and development of new superior products may render some of its existing production facilities obsolescent. At SURYA, the continuing modernization, aggressive cost cutting and adaptability of new technology are always main strengths and enabled the company to do away with obsolescent plants/processes and to emerge as one of the most modern plants in the lighting industry throughout the world. Its strength enable the Company to face future risk and convert them into opportunities.

Further aggressive cost cutting, addition to the product mix to incorporate more value-added products and with the present strengths of the company, the management feels that it can now compete effectively both in terms of quality and price with similar products imported from various countries. With the assistance of world-renowned consultants, the company has made good progress towards its objective of becoming the world leader in lighting products. Intense competition in the Lighting industry, the company is adding a new product range. Moreover, stress is being laid on boosting exports as well as institutional demands. At the same time, labour, time and money is also being geared towards making the various plant premises more and more eco friendly.

The Steel Tubes industry has also been witnessing a fast changing environment. The quality parameters of pipes used in the oil sector are becoming more stringent each day. Moreover, any failure of pipes after the supply to customers in the oil and gas sector attracts heavy penalties. The company is taking utmost care to ensure very high quality of products. During the year under review, the company took major steps towards upgradation of technology in order to ensure compliance of the quality norms.

INTERNAL CONTROL SYSTEM

Your Company has a continuous process of evaluation of the adequacy of systems to ensure that the assets are safeguarded against loss from unauthorized use or disposition, and that transactions are authorized, recorded and reported correctly. The budgetary control system is also in place to monitor capital-related costs and revenue costs against division-wise approved budgets.

Regular internal audits and checks are conducted. The Audit Committee of the Board of Directors reviews, at periodic intervals, the adequacy and effectiveness of internal control systems and suggests improvement for strengthening them.

FINANCIAL AND OPERATIONAL PERFORMANCE

The Company was able to maintain itself as a leader in the Steel Tubes industry and as a strong contender in the Lighting industry. Given below are the financials of the company for the current as well as the previous year :

(Rs. in crores)

Particulars	2007-2008	2006-2007
Profit for the year	53.08	49.47
Less : Depreciation	25.59	26.52
Profit before tax	27.49	22.94
Provision for tax	7.08	8.13
Net Profit after tax	20.41	14.81
Balance brought forward from the previous year	90.16	81.38
Profit available for appropriations	110.57	96.19
Proposed Equity Dividend	3.90	3.90
Tax on Distributed Profits	0.66	0.66
Transferred to General Reserve	1.50	1.00
Deferred Tax revision	(0.86)	0.47
Balance carried to Balance Sheet	105.37	90.16

During the year the turnover of the Company increased to Rs.1485.10 crores from Rs.1302.64 crores last year, registering an increase of 14.00%. However the gross profit increased to Rs. 53.08 crores from Rs. 49.47 crores last year, a rise of 7.30%.

INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT

Industrial relations during the year under review were cordial and peaceful. The management wishes to place on record, the excellent cooperation and contribution made by the employees, collectively called "SURYA PARIVAR", at all levels of the organisation to the continued growth of the company. There was constant focus on all round organizational development. Various training programs including visionary exercises were conducted for personal as well as professional development of the employees. Further various other activities like annual sports, festival celebrations take place every year to get in touch with them and their families.

Relationship has been very cordial with the worker's union for the past several years. During the month of January 2008 the management executed wage agreement with the union, which shall be applicable till 31st December, 2010.

The Company's industrial relations continued to be harmonious during the year under review. The number of persons directly employed by the Company was 3533 as on 31st March, 2008.

CAUTIONARY STATEMENT

Statements in this report on Management's Discussion and Analysis describing the company's business, projections and estimates are forward looking statements. The achieving results may vary from those expressed or implied, depending upon economic conditions, government policies, regulations, tax laws and other incidental factors.



DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Fifth Annual Report on the operations of your Company, together with audited accounts for the year ended 31st March, 2008.

1. FINANCIAL RESULTS

(Rs. in crores)

Particulars	2007-2008	2006-2007
Profit for the year	53.08	49.47
Less : Depreciation	25.59	26.52
Profit before tax	27.49	22.94
Provision for tax	7.08	8.13
Net Profit after tax	20.41	14.81
Balance brought forward from the previous year	90.16	81.38
Profit available for appropriations	110.57	96.19
Proposed Equity Dividend	3.90	3.90
Tax on Distributed Profits	0.66	0.66
Transferred to General Reserve	1.50	1.00
Deferred Tax revision	(0.86)	0.47
Balance carried to Balance Sheet	105.37	90.16

2. DIVIDEND

Your Directors are pleased to recommend the payment of dividend @ Rs.1.50 per share on the paid up equity share capital of Rs. 26.00 crores. 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 13th September, 2008. In respect of shares held in dematerialised form, the dividend shall be payable on the basis of beneficial ownership as at the end of 8th September, 2008, as per the details furnished by National Securities Depository Ltd./ Central Depository Services (India) Ltd. for the purpose, as on that date.

3. PERFORMANCE DURING THE YEAR UNDER REVIEW

During the year under review, the turnover of your Company increased to Rs.1485.10 crores from Rs.1302.64 crores last year, registering an increase of 14.00%. However the gross profit increased to Rs. 53.08 crores from 49.47 crores last year, a rise of 7.30%. The export turnover during the year under review is Rs.219.54 crores as against Rs. 147.57 crores in previous year, registering an increase of 48.77%. The performance of various divisions of your Company is given below:

STEEL DIVISION

During the year under review, the turnover of the division is Rs. 1057.67 crores as compared to Rs.893.43 crores in the last financial year, registering an increase of 18.38 %. The export turnover of the division is Rs. 195.48 crores in comparison to Rs.128.66 crores in the last financial year, an increase of 51.94%. The initiative taken to establish the product in global market have also started to show result. The Export turnover is likely to further increase during the coming year.

LIGHTING DIVISION

Despite competition from other established market players and unorganised sectors, the Division has witnessed a steady growth in turnover. During the year under review, the turnover of the division increased to Rs. 427.43 crores as compared to Rs. 409.21 crores last year, an increase of 4.45%. The export turnover during

the year under review is Rs. 24.06 crores as against Rs.18.91 crores in previous year. Strategies are being continuously developed to give greater thrust to the exports.

During the year Company extended its manufacturing of Energy Saving Lamp. In addition to chains installed last year capable to manufacture Energy Saving Lamps of all varieties ranging from 5W to 23W, one more CFL chain for Spiral CFL Lamps and one G.E. make Automatic Chain for production of CFL have successfully installed during the current year by which the capacity has been enhanced to 24 Million Pieces per annum. In addition to Natural Gas division has started to use Oxygen and Nitrogen Gas to bring the input cost low.

REAL ESTATE

During the year the Company has entered into the Real Estate Business, company will diversify its range of activities and tap all resources which will enhance Company's growth and profitability. Through the well focused vision of the management, company will able to produce land mark results in future in this segment.

SUBSIDIARY

Surya Roshni Inc., the only wholly owned subsidiary of the company in USA The primary business of the subsidiary was marketing and distribution of light bulbs in U.S.A. Since the company was not having major operations in U.S.A., turnover was almost negligible and company was running in loss for the past few years. With further no signs of recovery, it was decided to dissolve the same and the Surya Roshni Inc. U.S.A. was dissolved on 29th February, 2008.

4. FUTURE PROSPECTS STEEL DIVISION

In view of thrust of the Government of India on Water, Infrastructure and Export sectors, there is tremendous scope for growth in the Steel Pipe and Cold Rolled Industry. In large Dia Pipe the company has widened its product range as per the requirement of the market. More demand is expected from various Oil and Gas companies for LDP pipes of API standards. In future also there seems to be a tremendous scope for export of ERW Steel Pipes as well as Cold Rolling particularly to U.S.A. and European countries.

In order to increase the capacity of Cold Rolling Segment, the company has ordered for a new high speed Cold Rolling Mill with better control and quality. Further the company has decided to install one more Galvanizing Plant with capacity of 36000 M.T. per annum, so that increased demand of Export / Trade can be fulfilled. In a step forward towards cost cutting, the company has order for one more Natural Gas Generator Set of One MW from Wartshila. All these measures will help in increasing the sale & profitability in the current financial year.

LIGHTING DIVISION

With a general improvement in the power condition in urban as well as rural sectors and increase in spending on infrastructure development in the coming years, there is always an increase in demand of regular lighting products . Well defined strategies are being implemented in order to cater the gradual increase in demand of lighting products and enhance the product share in market and to boost the demand for your Company's products. Keeping in view the growing demands of Energy Saving Lamps and various Governments drive in this direction, we have already made ourselves ready to cater the growing demand in India as well as Global markets. With the addition of CFL Chains, the company is capable to manufacture total range of CFLs to meet the growing demand. Through whole hearted efforts and better



commitment at all levels, the turnover and profitability of your company during the current year are likely to reflect a considerable growth as compared to those of the year under review.

5. FIXED DEPOSITS

The Public response towards the Company's fixed deposit scheme continued to be encouraging during the year under review. At the close of the year, 73 deposit holders, whose deposits, aggregating to Rs. 21.37 lacs, had become due for payment, did not claim or renew their deposits. Since then, deposits aggregating to Rs. 12.16 lacs have either been claimed or renewed. The principal amount and interest were duly paid for all other deposits, which matured during the year.

6. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Details of energy conservation and research and development activities undertaken by the Company alongwith information in accordance with provision of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given as Annexure 'A' to the Directors' Report.

7. PARTICULARS OF EMPLOYEES AND DISCLOSURE OF INFORMATION

Particulars of employees, as required under Section 217(2A) of the Companies Act, 1956, read with Companies (Particulars of Employees) Rules, 1975, as amended and information as per Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given as Annexure 'B' to the Directors' Report.

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;

- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors had prepared the annual accounts on a going concern basis.

9. DIRECTORS

As per Article 101 of the Articles of Association of the Company, Shri Rajendra Arya and Shri K K Narula, retire by rotation and, being eligible, offer themselves for reappointment.

10. AUDITORS

The Auditors, Messrs. Sastry K. Anandam & Company, Chartered Accountants, retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for reappointment. The observations of the Auditors have been suitably dealt with in the notes on accounts.

11. COMPLIANCE CERTIFICATE

As per Revised Clause 49 of the Listing Agreement with the Stock Exchanges, the compliance certificate from Chairman and Managing Director and CFO is given as Annexure 'C' to the Directors' Report.

12. ACKNOWLEDGEMENT

Your Directors wish to place on record, their appreciation for the continued support from All India Financial Institutions, Bankers, Government Authorities, Business Constituents and Investing Public.

Your Directors 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

B. D. AGARWAL
CHAIRMAN AND
MANAGING DIRECTOR

Place : New Delhi
Dated : 21st May, 2008

ANNEXURE 'A' TO DIRECTORS' REPORT

Information as per Section 217(1)(e) read with Companies (Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2008.

I. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

At Steel Division, Bahadurgarh :

- Ordered One 1 MW Gas based Generator set Wartsila, France Make, to replace Diesel Generator Sets to reduce power cost.
- 625 KVA first Gas Based Engine has become operational which was earlier out of circuit, due to long power-cuts.
- Changed HF Welder from contact to Induction Welding on Pipe Mill for increase the speed and productivity.

At Malanpur Unit of Lighting Division :

- Installed PSA plant for generating N₂ and O₂ Gases in house.
- Waste Heat Recovery Unit was installed on the exhaust side of Gas Generator in LD.
- By doing modification in LP Air line on TL Baker-III.
- Replacement of IR reci. Compressor with Screw Air Compressor.
- Total production lines are working on own Gas based Power Plant instead of MP Board's supply.
- Improved design of checkers in the Regenerators to recover more heat from outgoing fuel gases.
- Energy saving after doing insulation or patching work in furnace.

**At Kashipur Unit of Lighting Division :**

- Monitoring the HP air pressure on TL 5th Chain and reduced Compressed Air Pressure from 6 bar to 5 bar.
- Air-cooling Plant FTL and GLS, existing 2 Nos. H.P. Water Spray Pumps replaced by 1.00 H.P. Water Spray Pump.
- Coating Drying Chamber Partition Insulation provided to reduce heat losses.
- Installed A.C. Drive in Lead Glass Plant secondary air blower and thus reduced frequency from 50 Hz to 37 Hz.
- A.C. Drive provided on TL Coating Section coating blower for maintaining homogeneous thickness coating through out the tube.
- Introduced power capacitor in L.T. room and major load centers in plants to improve the Power Factor and for reduced unit consumption.

b) Additional investment and proposals being implemented for reduction of consumption of energy :**At Steel Division, Bahadurgarh :**

Efforts are going on for replacing the existing Diesel Generators by Gas based Generators in order to increase more use of Gas.

c) Impact of the measures at a) above for reduction of energy consumption and consequent impact on the cost of production of goods :

Using Gas based Generator Set for power generation will reduce the downtime which frequently took place in purchasing power from Electricity Boards. The above measures resulted in substantial saving in the consumption of energy and consequent saving in the cost of production of goods.

d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries in the Schedule thereto :

	Steel Division		Lighting Division	
	2007-2008	2006-2007	2007-2008	2006-2007
A) Power & Fuel Consumption				
1. Electricity				
a) Purchased				
Units (in thousands)	9292.58	10665.77	10727.05	16051.15
Total Amount (Rs. in lacs)	407.74	438.73	298.27	586.09
Rate / Unit (Rs.)	4.39	4.11	2.78	3.65
b) Own Generation				
Through Diesel Generator				
Units (in thousands)	1392.82	1809.03	3023.03	4916.04
Unit per Ltr. Of HSD	3.12	3.09	3.32	3.42
Cost / Unit (Rs.)	10.49	10.14	8.97	8.40
c) Own Generation by				
Natural Gas Generator Set				
Units (in thousands)	15653.22	10989.04	14845.21	6090.20
Unit per SCM3	2.96	2.82	3.71	3.45
Cost / Unit (Rs.)	2.95	3.07	2.63	3.25
2. Furnace Oil/LDO				
Qty. (K.Ltrs.)	31.20	22.94	3086.74	5330.36
Total amount (Rs. in lacs)	6.87	4.89	738.78	1204.01
Avg. Rate (Rs.)	22.02	21.33	23.93	22.59
3. RLNG (Natural Gas)				
Qty. SCM3 (in thousands)	2626.98	4051.81	10222.92	6342.23
Total amount (Rs. in lacs)	229.72	312.78	984.88	604.21
Rate / SCM (Rs.)	8.74	7.72	9.63	9.53
4. L.P.G.				
Qty. (Tonnes)	Not used	Not used	2136.52	2289.95
Total amount (Rs. in lacs)	Not used	Not used	807.81	739.46
Rate / KG (Rs.)	Not used	Not used	37.81	32.29
5. Diesel				
Qty. (K.Ltrs.)	Not used	Not used	301.45	496.38
Total amount (Rs. in lacs)	Not used	Not used	84.41	142.23
Rate / Ltr. (Rs.)	Not used	Not used	28.00	28.65
6. Propane				
Qty. (Tonnes)	Not used	Not used	57.50	860.37
Total amount (Rs. in lacs)	Not used	Not used	18.39	254.81
Rate / KG (Rs.)	Not used	Not used	31.98	29.62