

**BOARD OF DIRECTORS**

J.P Agarwal	Chairman & Managing Director
Urmil Agarwal	
Ravinder Kumar Narang	
Tara Sankar Bhattacharya	
B. B. Chadha	
Utpal Kumar Mukhopadhyay	
K. K. Narula	
Aloke Sengupta	IDBI Nominee
S.N.Bansal	Dy. Managing Director
Arvind Bansal	Dy. Managing Director & CFO
Vineet Garg	Dy. Managing Director
Raju Bista	Dy. Managing Director

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.	ICICI Bank
Punjab National Bank	State Bank of Patiala
Bank of Baroda	
Standard Chartered	

REGISTERED OFFICE AND WORKS-STEEL DIVISION

Delhi Rohtak Road
Bahadurgarh -124507 (Haryana)
email : surya@suryasteelpipe.com

WORKS - STEEL DIVISION (MALANPUR)

Plot No. P-1 to P-20, Ghirongi Industrial Area,
Malanpur, District Bhind (Madhya Pradesh)

WORKS - LIGHTING DIVISION

7k.m. Stone, Kashipur - Moradabad Road
District Udham Singh Nagar,
Kashipur - 244 713 (Uttarakhand)
email : srlkashipur@suryaksp.com

J - 7, 8 & 9 Malanpur Industrial Area
Malanpur, District Bhind (Madhya Pradesh)
email : srlmlpr@sancharnet.in

HEAD OFFICE

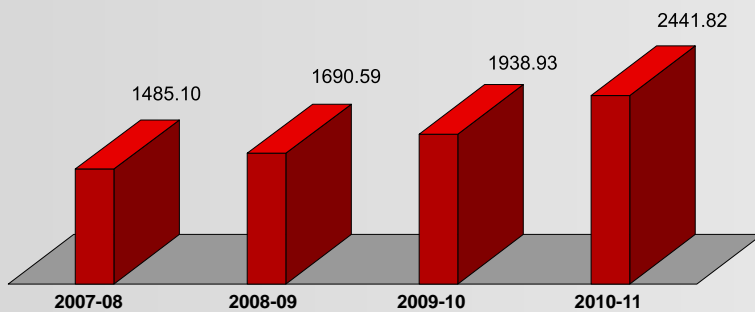
Padma Tower - 1, 5 Rajendra Place
New Delhi - 110 008
email : surya@sroshni.com

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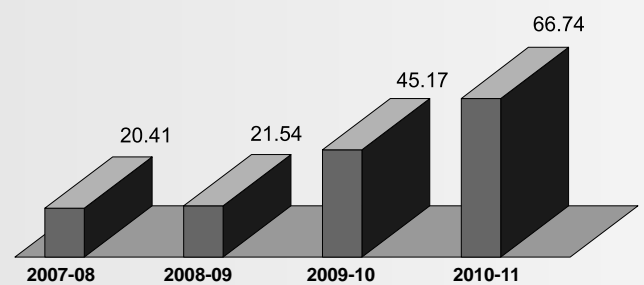
(Rs. in Crores)

Year March Ending	2007-08	2008-09	2009-10	2010-11
Turnover	1485.10	1690.59	1938.93	2441.82
Profit Before Interest, Depreciation & Tax	91.15	98.03	129.56	181.93
Profit Before Depreciation & Tax	53.08	51.58	80.85	121.39
Profit Before Tax	27.49	27.92	53.76	70.15
Profit After Tax	20.41	21.54	45.17	66.74
Dividend (%)	15.00	12.00	20.00	15.00
Net Worth				
Share Capital	28.43	28.43	37.00	61.46
Reserves	154.61	172.44	220.04	570.09
Total	183.04	200.87	257.04	631.55
Gross Fixed Assets	637.70	693.09	877.29	1220.72

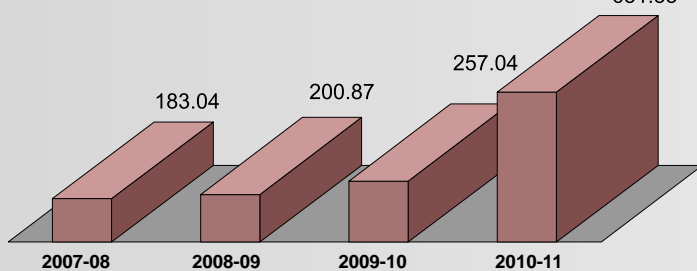
TURNOVER
(Rs. in Crores)



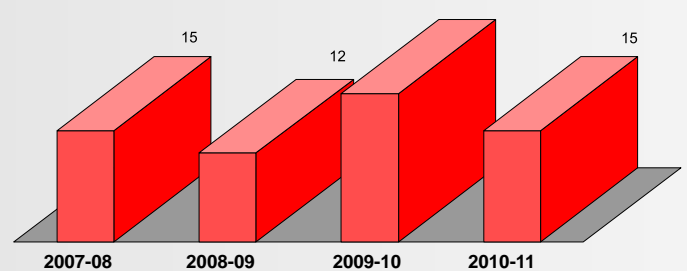
PROFIT AFTER TAX
(Rs. in Crores)



NET WORTH
(Rs. in Crores)



DIVIDEND
(in %)





MANAGEMENT DISCUSSION AND ANALYSIS

WE the SURYA

Surya Roshni Limited is a 37 years old Conglomerate with diverse businesses with units in different states. The range of business cover a wide spectrum of Lighting, Steel tubes and pipes, Cold Rolled Strips, High masts and PVC tubes. These are linked by a common philosophy of commitment to people, transparency in dealings and high quality standards.

The company's core business comprises of lighting and steel tube products. It is the only lighting company of India with 100% backward integration resulting in timely availability of best quality raw materials at effective low cost. Thanks to his integration SURYA competitively positioned today over its rivals and has become prominent brand in the consumer market. Your company's manufacturing facilities are as follows –

- Largest ERW pipe and Cold Rolled Strips Mills at Bahadurgarh, Haryana
- High Mast and ERW pipe manufacturing Unit at, Malanpur, MP
- Lighting Units at Kashipur (Uttarakhand) and Malanur, MP producing Fluorescent Tube lights, GLS Lamps, CFL Lamps, PCB, HPSV Lamps, HPMV Lamps and Metal Halide Lamps.
- Asia's Largest Ribbon glass plant from Dema Glass UK (Formerly known as GB Glass) at Malanpur, MP
- PVC tube Unit at Kashipur, Uttarakhand.

Quality is the index of a company's success in today's global economy. Your company's success at both domestic and global front can be attributed to its unswerving focus on quality. Quality has always been the driving force in every process from the raw material stage to the finished product at Surya. By being cost effective without compromising on quality, the company has become a leader in Steel pipes industry and the second largest lighting company in India. The company's processes are certified under ISO 9001:2008 Quality Management Systems Standard, ISO 14001:2004 Environmental Management Systems Standards and OHSAS 18001:2007 Occupational Health and Safety Management System Standard. Surya has also obtained 5 star rating for fluorescent tube lamps from Bureau of Energy Efficiency, India.

INDUSTRY STRUCTURE, DEVELOPMENT & OUTLOOK

Outlook for steel pipes

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. Our demand forecasting is derived from several upcoming pipeline projects expected in India and other countries along with the normal demand for replacement of existing pipe lines

The expanding infrastructure, oil & gas and construction sectors have been the main growth drivers for steel industry that includes steel pipes.

Indian pipe manufacturers are greatly benefited after commencement of the Exploration & Production (E&P) projects for oil and gas companies that were earlier kept on hold or revoked because of the global financial crisis. This new spurt in demand will impact positively on the future growth. Existing oil refineries are expanding their capacities and new refineries are coming up burgeoning as a result the demand for steel pipes.

The transportation and distribution of gas widely used for domestic and commercial purposes have undergone a sea

change with the gas and oil being conveyed through steel pipe lines over long distances. The surging demand based on several ongoing natural gas pipeline projects in India will surely boost the demand for steel pipes.

The increased emphasis and thrust given by the Government on infrastructure and housing sectors where steel tubes and pipes are much in use will again benefit the pipe industry. It would be pertinent to point out that the steel pipe industry has witnessed a good growth during the year under review with the concomitant growth in the market due to the surge in Infrastructure sectors. Mention must be made of the several initiatives taken by the Indian government to make available basic water supply and sanitation over large parts of the country. Along with the focus on oil and gas sector, these initiatives serve as a big boost to the pipe industry as a whole.

Outlook for lighting industry

Lighting is always a prime necessity in the modern world. It is an important component in the industrial growth of a country and vital at the domestic front for a good living. With the increase in residential houses, the demand for lighting and consequently the lighting industries are growing at tremendous pace. With a general improvement in the power condition both in urban and rural areas and anticipated increase in spending on infrastructure development both in public and private sectors in the coming years, the demand of regular lighting products is expected to increase by leaps and bounds.

With growing demand for lighting products, the Lighting industry is on a strong wicket. As per ELCOMA (Electric Lamp and Component Manufacturer's Association of India) the industry registered a growth of around 13% during the year 2010. Value-wise, the Lighting Industry in India stood at around Rs. 8000 Crores. Segment wise, growth of CFL was 25%, GLS 4%, FTL 9%, Against the above rates of growth of Industry SURYA has registered a remarkable growth in CFL 31%, GLS 10% and FTL 16%.

Surya Roshni brings brightness to many homes every evening in over 48 countries across the globe. Surya Roshni is one among the large producers in the field of light source and its components in India and has played the role of a technology leader by establishing new benchmarks for the industry. As a leader in the area of lighting equipments, Surya Roshni has been providing innovative and safe lighting equipments to its customers. Its wide range of world class energy efficient lamps, T5 lamps, Fluorescent lamps, high pressure sodium and mercury lamps, metal halides lamps to name a few are manufactured at state-of-the-art units with top of the line machinery and equipments (from FALMA-Montena S.A., Switzerland, DEMA engineering UK, GE-Hungary) to benchmarked processes and practices. Surya Roshni has instituted a culture of continuous quality upgradation and a strong system to ensure that the quality meets international benchmark.

Surya Roshni has an exhaustive range of luminaires and accessories to meet the requirement of every segment of professional lighting that includes domestic, industrial, designer, commercial, street lights besides LEDs. Products are designed and developed after extensive in house research ensuring thereby high standards of quality. To complement its foray in luminaire segment, Surya Roshni has set up with state-of-the-art manufacturing facility for High Mast Lighting Systems and Octagonal Poles.

Apart for light source manufacturing, Surya Roshni has also been a leading manufacturer of various lamps' components since last two decades and well known as quality lamp component supplier from India.

Surya Roshni is coming up with state-of-the-art lighting laboratory in NOIDA that will be one of the best lighting laboratories in Asia. It will house the Mirror Gonio-photometer from LMT-Germany and will be used for developing new



generation energy saving luminaries. In addition to this, Surya will provide Photometric Optical Testing facility for all kinds of luminaries.

Surya Roshni is also diversifying the product range to PVC/CPVC Pipes & Fittings. The company has commissioned a latest art of technology plant imported from Europe at Kashipur.

Strengths, Weakness, Opportunities and Threats

Strengths

With a nationally and Internationally accepted "SURYA" Brand and pre eminent position in the Indian Steel pipes and lighting industry, SURYA is poised to capitalize on the immense opportunities unfolding in the global market giving it an edge over its peers.

It has accredited quality certifications from leading agencies and has years of successful completion of contracts on schedule

The Company's management has nearly four decades of experience in the steel pipe industry and nearly three decades of experience in Lighting Industry. The Company has expanded the business both in size and range through various initiatives. These include increasing vertical integration, broadening nationwide marketing network, expanding the high-quality product range and complete backward integration in lighting industry.

Weakness

In the light source segment margins are very low due to acute competition from established market players and many units from unorganized sector. Uncertainties of external market forces may also impact the business scenarios.

Opportunities

Globally, Pipes are the most economical way to transport Oil & Gas. The increasing demand of energy, especially in a developing country like India, would accelerate the demand and thereby growth momentum in the steel pipe industry. Major Oil marketing companies are planning to lay pipelines across the length and breadth of the country that would generate a huge demand of pipes. The Country's domestic Gas availability is expected to increase manifold in coming years and this would require huge infrastructure for domestic pipe lines.

The scope and opportunities in the world market is large. With the well established renowned SURYA brand, the wide range of both traditional and innovative products and an experienced export marketing, the company is confident of capturing new markets and enlarging the existing export market. This will provide larger visibility, higher volumes and increased margins in the near future.

Government is strongly committed to reforms agenda and taking effective economic action aimed at spurring consumption, building infrastructure and stimulating economic growth. Rural India is expected to thrive with good agricultural crop aided by appropriate government policy. Infra sectors provide a huge opportunity in both rural and urban India. The Construction sectors and housing sectors are booming thereby providing lighting and pipe industries a good opportunity to grow.

Threats

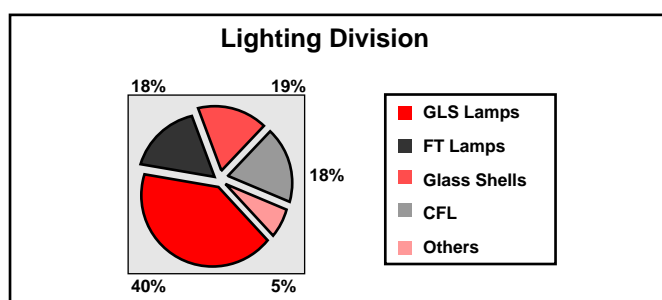
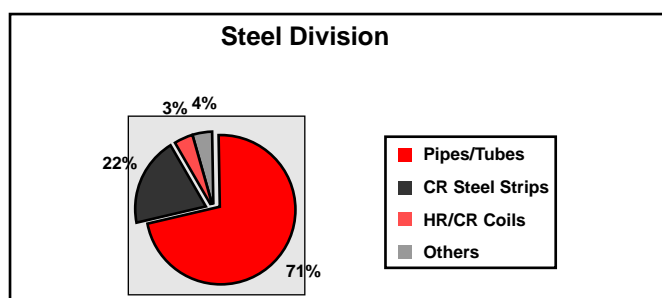
Competition: Competition from spurious manufacturers, unorganized sector without quality constraints and multinational companies is always a challenge. Surya believes in confronting such challenges and transforming them into opportunities. We expect to meet these threats with better products, informed customer relationships, focused demand generation efforts and a strong business outlook.

Cost of Raw material: Metal being a major raw material in steel tubes and pipe segment, any escalation in its cost may affect our contribution margins. However the company has adopted various measures to minimize the adverse effect of volatile prices of raw materials.

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.



FINANCIAL & 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 :

Particulars	(Rs. in Crores)	
	F.Y. 2010-2011	F.Y. 2009-2010
Turnover	2441.82	1938.93
Profit before Interest, Depreciation & Taxation (EBIDTA)	181.93	129.56
Interest	60.54	48.71
Depreciation	51.24	27.09
Profit before tax (PBT)	70.15	53.76
Tax Including Deferred Tax	3.42	8.59
Profit after taxation(PAT)	66.73	45.17
Balance brought forward from the earlier year	154.44	121.76
Profit available for appropriations	221.17	166.93
Proposed Equity Dividend	6.57	5.57
Tax on Distributed Profits	1.06	0.92
Transferred to General Reserve	7.00	6.00
Balance carried to Balance Sheet	206.54	154.44



During the year the turnover of the Company increased to **Rs. 2441.82 crores** from Rs.1938.93 crores last year, registering an increase of **25.94%**. The Profit After Tax is increased to **Rs. 66.73 crores** as compared to Rs. 45.17 crores last year registering a remarkable growth of 47.73% during this period.

Risk & Concerns

Steel is the raw materials and a major cost component for the tube & pipe segment and its prices have a direct bearing on the profitability. In recent times steel prices have been quite volatile and posing fresh challenges to the business world wide. The quality parameters of pipes used in the oil & gas sectors are becoming more stringent each day. Moreover, any failure of pipes after the supply to customers in the oil & gas sectors attracts heavy penalties. Company is taking utmost care to source the best quality of raw materials to ensure very high quality end products. Orders from oil & gas sector depend however upon demand and success in bidding process.

In the light source segment, technological obsolescence is an inherent business risk in a fast changing world. Speed of change and adaptability to the changing market is crucial for survival in business. Government energy policy and development of new innovative energy efficient products may render some of our existing production facilities obsolescent. Adaptability of new world class technology and being cost effective is always the core strength of Surya to overcome the obsolescence.

Internal Control Systems

SURYA has a proper and adequate system of internal control commensurate with the size and nature of business. The internal control system is an integral component of the 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.

Extensive programme of risk and transaction based internal audits cover all divisions, plants, branches and the different areas of operations. The Audit committee of the Board is updated every quarter on major internal audit observations, compliances with accounting standards, risk management and control systems. The Audit committee assesses the adequacy and effectiveness of inputs given by the internal audit and suggests improvement for strengthening the control systems. Company has an extensive budgetary control system, which is regularly examined by the management. Surya has well defined Management Information System with clear Organizational Structures and authorization levels for business transactions.

Material Developments in Human Resources / Industrial Relations

Surya is committed to create an open and transparent organization that is focused on people and their capability, and

fostering an environment that enables them to deliver superior performance. Attracting quality human resources and focusing on their development, motivation and retention has always been a priority area for Surya.

The Management wishes to place on record, the excellent cooperation and contribution made by the employees, collectively called "SURYA PARIVAR", at all levels of the organization to the continued growth of the company.

The Company's industrial relations continued to be harmonious during the year under review. The Number of personnel directly employed by the company was **4951** as on 31st March, 2011.

Corporate Social Responsibility

The CSR movement in Surya is based on the core belief of voluntary compliance of social and ecological responsibilities. Corporate social responsibility is basically a continuous process whereby the company voluntarily contributes to a better society and a cleaner environment. Corporate social responsibility is represented by the contributions undertaken by company to society through its business activities and its social investment.

At the business level this is reflected through energy efficient products made to conserve the scarce energy resources level.

The Social responsibilities towards the society are discharged through Surya Foundation. In pursuance of this objective, the foundation is working on the following areas:

- Youth Development
- Development of Preventive and Cost Effective Health Systems of Naturopathy and Yoga
- Think Tanks for vital areas of National Development
- Ideal Village Projects with emphasis on Literacy and Personality Development of Youth

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 world wide, technological obsolescence and domestic, economic and political conditions. We can not assure that outcome of this forward looking statements will be realized. The Company disclaims any duty to update the information given in the aforesaid reports



DIRECTORS' REPORT

Dear Members,

Your Directors present the Thirty eighth Annual Report of Financial Accounts for the year ended 31st March, 2011.

1. FINANCIAL PERFORMANCE

(Rs. in Crores)

Particulars	F.Y. 2010-2011	F.Y. 2009-2010
Turnover	2441.82	1938.93
Profit before Interest, Depreciation & Taxation (EBIDTA)	181.93	129.56
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Proposed Equity Dividend	6.57	5.57
Tax on Distributed Profits	1.06	0.92
Transferred to General Reserve	7.00	6.00
Balance carried to Balance Sheet	206.54	154.44

In the fiscal year under review, the turnover of your Company increased to Rs. **2441.82** crores from Rs. 1938.93 crores last year, registering an increase of **25.94%**. The Profit After Tax is increased to Rs. **66.73** crores as compared to Rs. 45.17 crores last year registering a growth of **47.73%** during this period. The export turnover during the year under review is Rs. **275.36** crores as compared to Rs. 245.45 crores in previous year. The performance of various divisions of the Company is given below:

STEEL DIVISION

During the year under review, the turnover of the division is Rs. **1520.17** crores as compared to Rs 1337.44 crores in the last financial year, registering an increase of **13.66%**. The export turnover of the division is Rs. **247.92** crores in comparison to Rs. 217.72 crores in the last financial year. The Company has continued a series of Dealer, Retailer, Plumber & Architect / Builder / Consultants Conferences along with Press conferences & Brand awareness campaigns, which has increased the demand potential substantially.

During the year under review the company has commissioned one 1.75 MW Gas Gen Set during the year which has improved In- house generation of power. The Gas Gen Set has reduced our power cost and also contributed in emission reduction.

LIGHTING DIVISION

The Lighting Division has witnessed a remarkable growth in turnover. During the year under review, the turnover of the division increased to Rs. **824.61** crores as compared to Rs. 601.41 crores last year, an increase of **37.11 %** over the previous year growth of 29.65%.

During the year, Malanpur Unit has installed on Ribbon Machine a Stirrer system from SORG, Germany for better glass / quality of shells and further one assembly building was built to accommodate all the 8 CFL assembly lines, thereby improving the MHR and reduction in wastages.

HIGH MAST DIVISION

During the year under review, the division has achieved a production of 24112 MT of ERW pipes and 1025 MT of High Mast and Poles.. The turnover of the division is Rs. **97.04** crores.

During the year company has commissioned High Mast Fabrication Machinery and the state of Art Galvanizing plant of High Mast/ Poles and ERW pipes. Furthermore , the division has started production of High Mast and Poles and produced 1025 MT during the year. High masts up to the height of 40 meters and various types of Decorative Octagonal poles are manufactured to the best satisfaction of the customers.

2. DIVIDEND

The Board considering the Company's performance and financial position for the year under review, recommended payment of dividend of Rs. 1.50 per equity share of Rs.10 each on the 43,83,12,500 Equity Share Capital of the Company, for the year ended 31st March, 2011, subject to the approval of the members at the ensuing Annual General Meeting.

Together with Corporate Tax on dividend, The total outflow on account of equity dividend will be Rs. **7.64** crores, vis-a vis Rs. 6.49 crores paid for fiscal 2009-10.

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 9th September, 2011. In respect of shares held in dematerialised form, the dividend shall be payable on the basis of beneficial ownership as at the end of 5th September, 2011, as per the details furnished by National Securities Depository Ltd./ Central Depository Services (India) Ltd. for the purpose, as on that date.

3. SUBSIDIARY

Company has a non-listed Indian Subsidiary Company named as Surya Global Steel Tubes Limited and as on 31st March, 2011, the company had a total investment of Rs. 50,00,00,000 which is 53.73% of its subscribed Equity Capital.

In the Subsidiary Company during the year under review, two phases of Spiral Mill with capacity of 60,000 M.T & 1,40,000 MT respectively and ERW Pipe Project with capacity of 100000 MT per annum has been completed and commissioned successfully and commercial production has been started at Anjar, Bhuj (State of Gujarat).

The Turnover of the Subsidiary Company for the year ended 30th September, 2010 is Rs. 9879.59 Lakhs and Profit after tax stood at Rs. 73.52 Lakhs.

4. FUTURE PROSPECTS

STEEL DIVISION

India has become the global pipe manufacturing hub primarily due to the benefits of its low costs, higher 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. The expanding infrastructure, oil & gas and construction sectors have been the main growth drivers for steel industry that includes steel pipes. Indian pipe manufacturers are greatly benefited after commencement of the Exploration & Production (E&P) projects for oil and gas companies that were earlier kept on



hold or revoked because of the global financial crisis. This new spurt in demand will impact positively on the future growth. Existing oil refineries are expanding their capacities and new refineries are coming up burgeoning as a result the demand for steel pipes.

LIGHTING DIVISION

Lighting is always a prime necessity in the modern world. With the increase in residential houses, the demand for lighting and consequently the lighting industries are growing at tremendous pace. With growing demand for lighting products, the Lighting industry is on a strong wicket. As per ELCOMA (Electric Lamp and Component Manufacturer's Association of India) the industry registered a growth of around 13% during the year 2010. Value-wise, the Lighting Industry in India stood at around Rs. 8000 Crores. Segment wise, growth of CFL was 25%, GLS 4%, FTL 9%. Against the above rates of growth of Industry SURYA has registered a remarkable growth in CFL 31%, GLS 10% and FTL 16%.

LUMINAIRE BUSINESS GROUP

The Luminaire Business Group (LBG) of the Lighting Division has made good progress in the year under review. In the year LBG focused on extending its existing range of products by introducing:

- Prismatic High Bays
- New Range of Commercial Luminaires for various applications of T5 & T8
- Integrated version of 2 x 400 W Floodlights in new shapes
- T5 Retrofit product
- Sensor Controlled streetlights

Luminaire Business Group is moving Beyond just 'Me - Too' towards an exclusive Range of Products:

- LED - Down Lighters / Street Lights
- Induction - Commercial / Industrial Luminaries Lamps Solar Street Lights
- Sensor Controlled Streetlights
- Outdoor Designer Range - High end Street / Flood Lights

Luminaire Business Group has entered into a strategic tie-up with AEC of Italy for marketing of their LED based street lights in India. LBG group has revamped and is further expanding its Dealer Network Range from a current level of 425 dealers to 600 active dealers during the first half of this year. Various marketing initiative will be taken to further enhance the growth of this segment.

RESEARCH AND DEVELOPMENT CENTRE

Electric light, the third eye for human being, is the only possible way to make things visible for the accomplishment of human activities especially when sun goes down. Hence the search is on for greater lighting efficiency as well as optimum energy consumption of light sources.

Surya Roshni Ltd, a leading body in the lighting industries, has taken steps to bring the revolution in the world of lighting by the process of setting-up a modern, world-class, in-house Research & Development centre in Noida for carrying out research & development in the field of energy efficient Light Sources and Luminaires & its application including LED Lighting System.

STIC (RESEARCH AND DEVELOPMENT CENTRE) will

be equipped with the most advanced photometric laboratory which houses High Speed automatic Mirror Gonio-photometer from LMT for light measurement & optical evaluation for conventional Lighting System as well as LED measurements.

Apart from photometric laboratory, STIC have Environmental, Electrical, Electronic, Thermal and Mechanical laboratories all are high speed computerized equipments for the prediction, evaluation and further improve in terms of mechanical, electrical, thermal & environmental behavior of the product.

This will be a Green Building with LEED certification and it will be accredited by NABL as well. It will definitely act as catalyst for the growth of Luminaires Business Group of Surya Roshni Limited.

HIGH MAST DIVISION

The High Mast project has an installed capacity of 75000 MT per annum of ERW pipes and 11000 MT per annum High Mast / Poles. The plant has manufactured ERW pipes from ½" to 8" in different thicknesses as per the market demand and has achieved a production of 24112 MT.

For the current year, the division has a healthy order book and with the present trend it is expected to achieve the installed capacity by September 2011. After reaching a monthly target of 200 High Masts and 2000 poles the division is planning for further expansion of the Fabrication line

Further, the division has planned to introduce a new product range of Sectional pipes during the current year and has already ordered the required tools for manufacturing of the Sectional pipes. Introduction of sectional pipes in the product range will help expanding the customer base. The division is expected to achieve the installed production capacity by 30th June 2011.

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, 169 deposit holders, whose deposits, aggregating to Rs.80.14 lacs, had become due for payment, did not claim or renewed their deposits. Since then, deposits aggregating to Rs. 46.08 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. PARTICULARS REGARDING CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Information in accordance with the provisions 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 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed (Annexure 'A') hereto forming part of the report.

7. PARTICULARS OF EMPLOYEES AND DISCLOSURE OF INFORMATION

The Information 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 confirm:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors had prepared the annual accounts on a "going concern" basis.

9. DIRECTORS

As per Article 101 of the Articles of Association of the Company, Shri Vineet Garg, Sh. B B Chadha and Smt. Urmil Agarwal, retire by rotation and, being eligible, offer themselves for reappointment.

Change in Directorship

During the year under review, Sh. Shanker Singal and Sh. Mukesh Tripathi have resigned from the Board w. e. f 19th October, 2010 and 11th February, 2011 respectively. Your Directors placed on record the high sense of appreciation for the wise counsel and valuable services rendered by them during their tenure on the Board.

During the year under review, the Board of Directors has inducted Sh. Utpal Kumar Mukhopadhyay and Shri Tara Sankar Bhattacharya as additional directors of the Company with effect from 14th February, 2011.

Appointment of Sh. Utpal Kumar Mukhopadhyay will strengthen the Board. He is retired from Indian Administrative Services (IAS) and has a rich experience of over 35 years in formulating public policies in the department of Transport, energy, environment tourism and home. His deep rooted knowledge and experience is vital for the growth and success of the Company.

Appointment of Sh. Tara Sankar Bhattacharya will strengthen the Board. He retired as the Managing Director of State Bank of India and carried with him a rich experience of over 38 years of Banking. He holds Membership of Indian Institute of bankers. His deep rooted knowledge and experience is vital for the growth and success of the Company.

10. AUDITORS

The Statutory Auditors, M/s Sastry K. Anandam & Company, Chartered Accountants (Firm Registration no-00179N) hold office till the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The Certificate from the auditors have been received to the effect that their re-appointment, if made, would be within the prescribed limit under section 224(1B) of the Companies Act, 1956. The observations of the Auditors have been suitably dealt with in the notes on accounts.

11. COMPLIANCE CERTIFICATE

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

12. CORPORATE GOVERNANCE

Your company has complied with the requirements of clause 49 of the Listing Agreement regarding Corporate Governance. A Report on the Corporate Governance practices, the Auditors' certificate on compliance of mandatory requirements thereof and Management Discussions and Analysis are forming part of Annual Report.

13. ACKNOWLEDGEMENTS & APPRECIATION

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

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

for and on behalf of
the Board of Directors

Place : New Delhi

Dated : 05th May, 2011

J P AGARWAL

Chairman and Managing Director

**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, 2011.

I. CONSERVATION OF ENERGY**a) Energy conservation measures taken:****At Steel Division, Bahadurgarh :**

- One Gas Generator of Capacity 1.75 Mega Watt was commissioned to increase in-house power generation and for emission reduction and thus reduce overall power cost and will contribute for emission reduction.
- Installed some VFD (AC Drives) on N2 plant and pipe mill no. COC machine and thus save energy.
- Increased use of HSEB Power in comparison to Gas Gen Set.
- Saving of energy is achieved by putting auto cut to the aux on different machines when it is not producing.

At Malanpur Unit of Lighting Division :

- Saving of energy achieved by installation of MB Tower in existing DM water plant
- Saving in energy achieved by reduction in pressure of compressed air.
- Replacement of IR make reciprocity compressor with Kaesar make screw compressor reduces energy consumption.
- Auto wiping M/c introduced on CFL-GE Chain
- Introduced alternate source beads for GE Chains.

At Kashipur Unit of Lighting Division :

- Saving of energy achieved by reducing the Blower pressure on TL 5th Chain.
- Fabrication and Installation of G.I Ducting in CFL plant and SVL plant and T1 6th Chain.
- Saving of energy by installation & Commissioning of 1000 Kva D.G. Set in existing power house.
- D G Set power generation per unit increased from 3.50 units per liter to 3.52 unit per liter.

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

Efforts are going on for usage of Gas based Generators for reduction of consumption of energy.

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 :

	<u>Steel Products</u>		<u>Lighting Products</u>		<u>PVC</u>	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
A) Power & Fuel Consumption						
1. Electricity						
a) Purchased						
Units (in thousands)	14344.79	14583.37	34050.42	24022.95	864.31	0.84
Total Amount (Rs. in lacs)	803.27	663.07	1532.12	985.92	33.62	0.03
Rate / Unit (Rs.)	5.60	4.55	4.50	4.10	3.89	3.49
b) Own Generation						
Through Diesel Generator						
Units (in thousands)	405.74	2114.91	1423.92	1915.58	81.68	Not Used
Unit per Ltr. Of HSD	2.75	2.97	3.47	3.52	2.76	Not Used
Cost / Unit (Rs.)	12.52	10.40	9.55	8.42	11.94	Not Used
c) Own Generation by						
Natural Gas Generator Set						
Units (in thousands)	19982.33	13936.07	5708.48	10307.20	Not Used	Not Used
Unit per SCM3	3.40	3.17	3.77	3.91	Not Used	Not Used
Cost / Unit (Rs.)	3.87	3.84	3.08	3.45	Not Used	Not Used
2. Furnace Oil/LDO						
Qty. (K.Ltrs.)	Not Used	Not Used	3178.58	3309.15	Not Used	Not Used
Total amount (Rs. in lacs)	Not Used	Not Used	1054.23	945.72	Not Used	Not Used
Avg. Rate (Rs.)	Not Used	Not Used	33.17	28.58	Not Used	Not Used
3. RLNG (Natural Gas)						
Qty. SCM3 (in thousands)	6386.03	6259.89	10910.98	10178.90	Not Used	Not Used
Total amount (Rs. in lacs)	840.15	760.58	1569.94	1430.91	Not Used	Not Used
Rate / SCM (Rs.)	13.16	12.15	14.39	14.06	Not Used	Not Used



	<u>Steel Products</u>		<u>Lighting Products</u>		<u>PVC</u>	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
4. L.P.G.						
Qty. (Tonnes)	Not used	Not used	2566.65	2301.86	Not Used	Not Used
Total amount (Rs. in lacs)	Not used	Not used	1206.85	864.63	Not Used	Not Used
Rate / KG (Rs.)	Not used	Not used	47.02	37.56	Not Used	Not Used
5. Diesel / LDO						
Qty. (K.Ltrs.)	82.27	65.92	473.94	376.97	Not Used	Not Used
Total amount (Rs. in lacs)	28.35	19.80	158.32	112.75	Not Used	Not Used
Rate / Ltr. (Rs.)	34.46	30.04	33.41	29.91	Not Used	Not Used
6. Propane						
Qty. (Tonnes)	Not used	Not used	0.88	6.71	Not Used	Not Used
Total amount (Rs. in lacs)	Not used	Not used	0.32	2.05	Not Used	Not Used
Rate / KG (Rs.)	Not used	Not used	36.36	30.55	Not Used	Not Used

B) Consumption per unit production

Product	Unit	Steel Tubes/ Pipes/ C.R.Strips (Per M.T.)		Glass Item (Per M.T.)		Glass Item (Per M.T.)	
Electricity	Units	114.58	107.76	138.78	153.03	705.99	153.23
Furnace Oil/HSD/LDO/RFO	Ltrs.	0.21	Not Used	179.26	197.35	Not used	Not used
Propane / LPG	Kg.	Not used	Not used	50.08	56.40	Not used	Not used
HSD/LDO in GI -	Ltrs	0.60	0.41	Not used	Not used	Not used	Not used
HSD/LDO in CR Mill -	Ltrs	0.24	0.16	Not used	Not used	Not used	Not used
Natural Gas Consumption (In GI Mill)	SCM3	35.46	29.88	Not used	Not used	Not used	Not used
Natural Gas Consumption (In CR Mill)	SCM3	33.79	34.63	Not used	Not used	Not used	Not used

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form-B of the Annexure to the Rules :

1. Research and Development (R&D)

- Specific areas in which R&D carried out by the company :** During the year under review, no R&D carried out.
- Benefits derived as a result of above R&D :** Not Applicable
- Future Plan of action :** Research and Development activities shall be carried out in future as the company is in the process of setting-up a modern, world-class, in-house Research & Development centre in Noida for carrying out research & development in the field of energy efficient Light Sources and Luminaires & its application including LED Lighting System.
- Expenditure on R&D :** Except Capital Work-in progress of Research & Development Centre of Noida, No capital as well as recurring expenditure made on R&D.

2. Technology absorption, adaptation & innovation:

- 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.
- Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. :**
There were various benefits derived as a result of the efforts listed above, some of them included better utilization of the available resources, product improvement and development, cost reduction, better overall efficiency.
- In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) :** Nil

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Activities relating to exports, initiatives taken to increase export, development of new markets for products and services and export plans :**
Major initiatives were taken to boost the exports of the company. Some of them included :
 - Emphasis has been given on Foreign Traveling of Export Executives and Directors for development of new markets.
 - The Company has participated in the conferences and exhibitions organized in various foreign countries.
- Total foreign exchange used and earned (Rs. in lacs)**
Used : 15896.65 Earned : 25413.19

for and on behalf of
the Board of DirectorsPlace : New Delhi
Dated : 05th May, 2011J P AGARWAL
Chairman and Managing Director