

Notice

Notice is hereby given that the Fortieth Annual General Meeting of the members of **SURYA ROSHNI LIMITED** will be held on Friday, the 27th September, 2013 at 11.00 A.M., at the Registered Office of the Company at Prakash Nagar, Sankhol, Bahadurgarh 124 507 (Haryana) to transact the following business:

ORDINARY BUSINESS

- To consider and adopt the Audited Accounts of the Company and the Reports of Directors and Auditors thereon for the year ended 31st March, 2013.
- To declare dividend on equity shares.
- To appoint a Director in place of Shri K K Narula, who retires by rotation and, being eligible, offers himself for re-appointment.
- To appoint a Director in place of Shri Utpal Kumar Mukhopadhyaya, who retires by rotation and, being eligible, offers himself for re-appointment.
- To re-appoint the Statutory Auditors and to fix their remuneration and pass the following as Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 224 of the Companies Act, 1956. the retiring auditors of the Company, M/s Sastry K Anandam & Company, Chartered Accountants, being eligible, offer themselves for re-appointment as Statutory Auditors of the Company be and are hereby appointed as Statutory Auditors of the Company and to hold such office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company on such Remuneration as may be decided by the Board of Directors' of the Company in consultation with them."

SPECIAL BUSINESS

- 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 where so ever situated, present and future and the whole of the undertaking of the Company in favour of IDBI Bank Ltd. acting for itself and as agent of Banks / Financial Institutions to secure:

- Corporate Term Loan of Rs 2500 lac (Rupees Two thousand five hundred lac only) lent and advanced by The South Indian Bank Limited (TSIBL) to the Company.
- Corporate Term Loan of Rs 3000 lac (Rupees Three thousand lac only) lent and advanced by Lakshmi Vilas Bank (LVB) to the Company.
- Term Loan of Rs. 2500 lac (Rupees Two thousand five hundred lac only) lent and advanced by Export Import Bank of India (EXIM) to the Company.
- Term Loan of Rs. 7584 lac (Rupees Seven thousand five hundred eighty four lac only) lent and advanced by State Bank of India (SBI) to the Company.
- Term Loan of Rs. 7222 lac (Rupees Seven thousand two hundred twenty two lac only) lent and advanced by State Bank of India (SBI) to the Company.
- The Working Capital Limits of Rs. 85658 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 IDBI Bank Ltd., State Bank of Travancore, ICICI Bank Limited and Standard Chartered Bank to the Company. The details are as under;

(Rs. In Lac)		
S. No.	Consortium Banks	
1	State Bank of India	39068
2	Punjab National Bank	17300
3	State Bank of Patiala	8200
4	IDBI Bank Ltd.	5500
5	State Bank of Travancore	5500
6	ICICI Bank Limited	6000
7	Standard Chartered Bank	4300
Total		85868

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, State Bank of Patiala, IDBI Bank Ltd., State Bank of Travancore, ICICI Bank Limited, Standard Chartered Bank, The South Indian Bank Limited, Lakshmi Vilas Bank 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 authorized 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 a Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 198, 269,309,310 and Schedule XIII and such other applicable provisions, if any, of the Companies Act, 1956, (the Act) including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force, approval of the members of the Company be and is hereby accorded that Shri Jai Prakash Agarwal, be relieved from the duties and responsibilities of Managing Director w.e.f 29th October, 2012 and re-designated him as Chairman & Whole-time Director of the Company from the same date."

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

"RESOLVED THAT in accordance with the provisions of Section 198,269,309,310 and Schedule XIII and such other applicable provisions, if any, of the Companies Act, 1956, (the Act) including any statutory modification or any

Notice (Contd.)

amendment or any substitution or re-enactment thereof for the time being in force, approval of the members of the Company be and is hereby accorded to the appointment of Shri Raju Bista as the Managing Director of the Company, w. e. f 29-10-2012 for the rest of his tenure, as set out in the Principal / Supplementary Agreement executed on 18th June, 2009 and 28th May, 2010 respectively between the Company and Shri Raju Bista, the main terms of which are set out in the explanatory statement, which agreement is hereby specifically approved with authority to the Board of Directors of the Company to alter and /or vary the terms and conditions of said appointment within the limits, if any, prescribed in the Act and / or any schedules thereto.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the company will pay Shri Raju Bista remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in section II of Part II of schedule XIII of the Companies Act, 1956, as may be decided by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Shri Raju Bista in the light of the further progress of the Company which revision should be in conformity with any amendments to the relevant provisions of the Act and /or the rules and regulations made there under and/ or such guidelines as may be announced by the Central Government from time to time.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution."

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

"RESOLVED THAT in accordance with the provisions of Section 198,269,309,310 and Schedule XIII and such other applicable provisions, if any, of the Companies Act, 1956, (the Act) including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force, approval of the members of the Company be and is hereby accorded to increase the remuneration paid to Shri Raju Bista as the Managing Director of the Company, w. e. f 01-01-2013 for the rest of his tenure, as set out in the Supplementary Agreement executed on 5th February, 2013 between the Company and Shri Raju Bista, the revised terms are set out in the explanatory statement, which agreement is hereby specifically approved with authority to the Board of Directors of the Company to alter and /or vary the remuneration within the limits, if any, prescribed in the Act and / or any schedules thereto.

RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the company will pay Shri Raju Bista remuneration, perquisites, benefits and amenities not

exceeding the ceiling laid down in section II of Part II of schedule XIII of the Companies Act, 1956, as may be decided by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Shri Raju Bista in the light of the further progress of the Company which revision should be in conformity with any amendments to the relevant provisions of the Act and /or the rules and regulations made thereunder and/ or such guidelines as may be announced by the Central Government from time to time.

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution."

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

"RESOLVED THAT Shri Utkarsh Dwivedi be and is hereby appointed as Director of the Company liable to retire by rotation."

11. To Consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

"RESOLVED THAT in accordance with the provisions of Section 198,269,309 and Schedule XIII and such other applicable provisions, if any, of the Companies Act, 1956, (the Act) including any statutory modification or any amendment or any substitution or re-enactment thereof for the time being in force, approval of the members of the Company be and is hereby accorded to the appointment of, including remuneration, perquisites, benefits and amenities payable to Shri Utkarsh Dwivedi as the Whole-Time Director of the Company for a period of five years commencing from 5th February, 2013 to 4th February, 2018, as set out in the Agreement entered between the Company and Shri Utkarsh Dwivedi, the main terms of which are set out in this notice, which agreement is hereby specifically approved with authority to the Board of Directors of the Company to alter and/or vary the terms and conditions of the said appointment within the limits, if any, prescribed in the Act and/or any schedules thereto.

"RESOLVED FURTHER THAT in the event of loss or inadequacy of profits in any financial year during the aforesaid period, the company will pay Shri Utkarsh Dwivedi remuneration, perquisites, benefits and amenities not exceeding the ceiling laid down in section II of Part II of schedule XIII of the Companies Act, 1956, as may be decided by the Board of Directors.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Shri Utkarsh Dwivedi in the light of the further progress of the Company which revision should be in conformity with any amendments to the relevant provisions of the Act

Notice (Contd.)

and /or the rules and regulations made thereunder and/or such guidelines as may be announced by the Central Government from time to time. “

RESOLVED FURTHER THAT the Board of Directors be and are hereby authorised to do all such acts, deeds and things as may be considered necessary to give effect to the aforesaid resolution.”

12. To Consider and, if thought fit, to pass with or without modifications, the following resolution as an Ordinary Resolution:

“RESOLVED THAT Shri Mukesh Tripathi be and is hereby appointed as Director of the Company liable to retire by rotation.”

By order of the Board

B. B. SINGAL

V.P & Company Secretary

Registered Office:

Prakash Nagar, Sankhol,
Bahadurgarh – 124 507 (Haryana)
Dated : 28th May, 2013

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 2nd floor, Padma Tower-I, 5 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 11.00 a.m. on 25th September, 2013.
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item no. 6 to 12 are annexed hereto.
3. The Register of Members and Share Transfer books of the Company will remain closed from 03.09.2013 to 06.09.2013 (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., T- 34, 2nd floor, Okhla Industrial Area, Phase II, New Delhi – 110 020, in respect of Shares held in physical form and to their respective Depository Participants if the shares are held in electronic form.
5. Relevant documents referred to in the Notice or in the accompanying Explanatory Statement are open for inspection to the Members at the registered office of the Company between 11:00 a.m and 1:00 p.m. on all working days upto the date of Annual General Meeting.
6. 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 Govt.

Members who have not encashed their dividend warrant so far for the financial year ended 31st March, 2006, or any subsequent financial year(s), the details of which are available at the following link http://www.suryaroshnilighting.com/IEPF/Surya_Roshni_IEPF_Report_as_on_28_9_2012.pdf are requested to address their claim to the Vice President & Company Secretary, Surya Roshni Ltd., 2nd floor, Padma Tower-I, 5 Rajendra Place, New Delhi - 110 008.

7. Pursuant to Clause 5A of the Listing Agreement with the Stock Exchanges, unclaimed equity shares of 151 shareholders comprising 10944 equity shares had been transferred by credited to a demat Suspense Account title “Surya Roshni Limited – Unclaimed Suspense Account” with National Securities Depository Limited .

Members who have not claimed their shares to whom notices have been served in regard to unclaimed equity shares 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.

8. In compliance to Section 53 of the Companies Act, 1956 & listing Agreement Clauses, Ministry of Corporate Affairs permits service of documents by electronic mode to members / shareholders. Members wish to avail this service register their e-mail address with the Company by sending a consent letter to VP & Company Secretary, Padma Tower – 1, 2nd floor, 5 Rajendra Place, New Delhi – 110008 / Registrar and Transfer Agent – Mas Services Limited, T-34, 2nd floor, Okhla Industrial Area, Phase – II, New Delhi -110020.
9. **Information provided as per Clause 49 IV(G)(i) of the Listing Agreement.**

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

Shri. K.K. Narula, aged about 73 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 Committee of Directors, Remuneration and Shareholders / Investors' Grievance Committees. He hold directorship of Audit Committee of Surya Global Steel Tubes Ltd. 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 49 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.

Shri Utpal Kumar Mukhopadhyaya, aged about 69 years, has been a director of the Company since 2011 and holds directorship in Borosil Glassworks Limited, Fintrue Technologies Private Limited, Golden Greens Golf and Resorts Limited and The Byke Hospitality Limited . Sh. U K Mukhopadhyaya was an M.D & CEO of Tata Housing

Notice (Contd.)

development Company from April'05 to March'08. He is an Ex- IAS Officer with more than 35 years of experience in the Maharashtra Government, the Central Government and World Bank. He has formulated public policies in the departments of Transport, energy, Environment Tourism and Home. Sh U K Mukhopadhyaya had done Ph.D.(Economics) from University of Mumbai and M.Sc. (Geology) from University of Calcutta. . He also attended the Post Graduate course in Development Economics at the University of Swansea, United Kingdom. Further he is not holding any shares of the Company.

Shri Raju Bista, aged about 27 years, appointed as a Managing director of the Company. He holds the directorship in Surya Global Steel Tubes Ltd., Surya Vijaynagar Steel & Power Limited, Surya Vijaynagar Cement Limited and Clitoria Vanijya Private Limited. He is a Graduate in Arts from Manipur. Before being appointed as the Managing Director, he occupies the post of Dy. Managing Director. Through his managerial and planning skills Company achieved excellent growth both top line and bottom line. His commitment to insert Right Man on the Right Job bring fruitful results to the organization. His sincerity, dedication, visionary power and untiring efforts are the most valuable factors in the growth of the Company. Further he is not holding any shares of the Company.

Shri Utkarsh Dwivedi, aged about 35 years ,before being appointed as Whole-time Director and designated as Dy. Managing Director, worked as an Executive Director (Exports) in the Company. He holds the directorship in Surya Chhatisgarh Steel & Power Limited, Surya Shimoga Steel Pipes Limited, Surya Chhatisgarh Power Limited and Surya Shimoga Lighting Limited. Shri Dwivedi is a Graduate in B.Com from Delhi University. He is a person of great outlook and joined Surya in 2002 in furtherance of his deep rooted desire to develop the youth of the country. As an ED (Exports), he contributed a great deal in building up Surya. His management and planning skills are valuable factors in the growth of the Company. Further he is not holding any shares of the Company.

Shri Mukesh Tripathi, aged about 36 years, has been appointed as an additional director of the Company on 28th May, 2013. He holds Whole – time Directorship in Surya Global Steel Tubes Limited and also hold directorship in Punarvasu Tie – up Private Limited, Surya Vijanagar Steel and Power Limited, Dicord Commodeal Private Limited and Surya Gujarat Power Limited. He is a Graduate in Commerce from Delhi University and an Master of Business Administration (MBA) in Human Resource Development. He has a rich experience of over 14 years in the field of Human Resource Development and Personality Development. 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 Term Loan from State Bank of India, The South Indian Bank Limited, Lakshmi Vilas

Bank (LVB), Export Import Bank of India and working capital limits from consortium Banks i.e. State Bank of India, Punjab National Bank State Bank of Patiala, IDBI Bank Ltd., State Bank of Travancore, ICICI Bank Limited and Standard Chartered Bank for its Steel and Lighting Divisions. The details are as under:

- Corporate Term Loan of Rs 2500 lac (Rupees Two thousand five hundred lac only) lent and advanced by The South Indian Bank Limited (TSIBL) to the Company.
- Corporate Term Loan of Rs 3000 lac (Rupees Three thousand lac only) lent and advanced by Lakshmi Vilas Bank (LVB) to the Company.
- Term Loan of Rs. 2500 lac (Rupees Two thousand five hundred lac only) lent and advanced by Export Import Bank of India (EXIM) to the Company.
- Term Loan of Rs. 7584 lac (Rupees Seven thousand five hundred eighty four lac only) lent and advanced by State Bank of India (SBI) to the Company.
- Term Loan of Rs. 7222 lac (Rupees Seven thousand two hundred twenty two lac only) lent and advanced by State Bank of India (SBI) to the Company.
- The Working Capital Limits of Rs. 85868 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 IDBI Bank Ltd., State Bank of Travancore, ICICI Bank Limited and Standard Chartered Bank to the Company. The details are as under;

(Rs. In Lac)		
S. No.	Consortium Banks	
1	State Bank of India	39068
2	Punjab National Bank	17300
3	State Bank of Patiala	8200
4	IDBI Bank Ltd.	5500
5	State Bank of Travancore	5500
6	ICICI Bank Limited	6000
7	Standard Chartered Bank	4300
Total		85868

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, State Bank of Patiala, IDBI Bank Ltd., State Bank of Travancore, ICICI Bank Limited, Standard Chartered Bank, The South Indian Bank Limited, Lakshmi Vilas Bank 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 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 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

Notice (Contd.)

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.

ITEM NO. 7

The Shareholders of the Company at the Annual General Meeting held on 28-09-2012 had appointed Shri Jai Prakash Agarwal as a Chairman & Managing Director of the Company for a period of five years from 01-01-2012 to 31-12-2016. However Shri Jai Prakash Agarwal has step down from the post of Managing Director on 29th October, 2012 and offer to serve the Company in the capacity of Chairman & Whole-time Director.

The Board of Directors of the Company passed Circular Resolution on 2nd November, 2012 and discharge Sh Jai Prakash Agarwal from the duties & responsibilities of Managing Director and re-designate him as Chairman and Whole time Director of the Company from 29th October, 2012. The rest clauses of the Agreement dated 11th November, 2011 executed between the Company and Shri Jai Prakash Agarwal related to Salary, Perquisites and tenure will remain same and effective,

None of the Directors of the Company is concerned or interested in the said resolution except Sh. Jai Prakash Agarwal.

ITEM NO. 8 & 9

The Shareholders of the Company at the Annual General Meeting held on 24-09-2009 had appointed Shri Raju Bista as a Whole- time Director and designated as Deputy Managing Director for a period of five years from 18-06-2009 to 17-06-2014. Further on 28-05-2010 Board of Directors approved the revised remuneration of Shri Raju Bista w.e.f 01-06-2010 as stated in the supplementary agreement dated 28.05.2010 executed between the company and Shri Raju Bista for the rest of his tenure which was subsequently approved by the shareholders of the Company in the Extra Ordinary General Meeting held on 29th June, 2010.

However, the Board of Directors of the Company have passed Circular Resolution on 2nd November, 2012 and appointed Sh. Raju Bista as Managing Director of the Company w.e.f 29th October, 2012 for the rest of his tenure i.e upto 17th June, 2014 and further assigned him with all the duties and responsibilities that have to be performed by the Managing Director.

Furthermore, seeing the vast duties and responsibilities to be performed by Managing Director, the Board of Directors in its meeting held on 05th February, 2013 increase the remuneration paid to Shri Raju Bista, Managing Director of the Company w.e.f. 01-01-2013 for the rest of his tenure of services, as set out in the

Supplementary Agreement executed on 05th February, 2013 between the Company and Shri Raju Bista at the following terms:

SALARY : Basic Salary of Rs 2,50,000/- per month (w.e.f 1st January, 2013)

Basic Salary of Rs. 2,75,000/- per month from 1st April, 2014 to 17th June, 2014.

PERQUISITES : Perquisites will be allowed in addition to salary. For this purpose unless the context otherwise requires, perquisites are classified into three categories : Parts A, B and C.

PART-A

HOUSING :

- I. The expenditure by the Company on hiring unfurnished Accommodation for the Managing Director shall be subject to the following ceilings:
50% of the Salary, over and above 10% payable by the Managing Director himself.
- II. In case the accommodation provided to the Managing Director is owned by the Company, the Company shall deduct 10% of the salary of the Managing Director.
- III. In case no accommodation is provided by the Company to the Managing Director, House Rent Allowance shall be paid by the Company to him subject to the ceiling laid down in Housing I, herein above.

PART-B

The following perquisites shall not be included in the computation of the ceiling on remuneration specified in paragraph I of Section II of Part II of Schedule XIII of the Companies Act, 1956 :

1. Contribution to provident fund to the extent this is not taxable under the income Tax Act.
2. Gratuity payable shall not exceed a half month's salary for each completed year of service.
3. Encashment of leave at the end of the tenure.

PART-C

The Company shall provide a car with driver and telephone facility at the residence of the Managing Director. Provision of car with driver for use of Company's business and telephone facility at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company on the Managing Director.

The aforesaid remuneration shall be subject to the limit of 5% of the net profits as laid down under sub-section (3) of section 309 of the Companies Act, 1956.

If the Company has no profits or the profits are inadequate in any financial year during the terms of his office as the Managing Director, Sh. Raju Bista will be entitled to receive the above remuneration and perquisites as minimum remuneration, provided that the total remuneration, of salary, perquisites and any other allowances shall not exceed the ceiling as provided in section II of the Part II of Schedule XIII of the Companies Act, 1956 or such other amount and perquisites as/is may be provided in the said schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

Notice (Contd.)

Copy of the Supplementary Agreement dated 5h February, 2013 executed between the Company and Shri Raju Bista along with other relevant documents related to his appointment as Managing Director 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 meeting.

None of the Directors of the Company except Sh. Raju Bista are interested in the above said resolution.

ITEM NO. 10 & 11

In view of increasing the operations of the Company and to strengthen the Board, Shri. Utkarsh Dwivedi, Executive Director (Export) was co-opted as an Additional Director of the Company with effect from 5th February, 2013.

Pursuant to Section 260 of the Companies Act, 1956, and the Articles of Association of the Company, Shri. Utkarsh Dwivedi holds office only up to the date of ensuing Annual General Meeting of the Company. In accordance with the provisions of Section 257, the Board of Directors proposed his appointment as Director liable to retire by rotation.

Shri Utkarsh Dwivedi being in the whole – time employment, termed as Whole-Time Director of the Company and has been appointed as Whole-Time Director by the Board of Directors of the Company, in their meeting held on 5th February, 2013 for a period of five years w.e.f. 5th February, 2013 to 4th February, 2018 on the following remuneration and terms and conditions, subject to the approval of Members, and other concerned authority, if necessary

- SALARY :** Salary of Rs 100000/- per month
From 1st April, 2014, Salary will be increased Rs. 15000/- p.m on every year of 1st April
- PERQUISITES :** Perquisites will be allowed in addition to salary . For this purpose unless the context otherwise requires, perquisites are classified into three categories :Parts A, B and C

PART-A**HOUSING :**

- I. The expenditure by the Company on hiring unfurnished Accommodation for the Whole-Time Director shall be subject to the following ceilings:
50% of the Salary, over and above 10% payable by the Whole-Time Director himself.
- II. In case the accommodation provided to the Whole-Time Director is owned by the Company, the Company shall deduct 10% of the salary of the Whole-Time Director.
- III. In case no accommodation is provided by the Company to the Whole-Time Director, House Rent Allowance shall be paid by the Company to him subject to the ceiling laid down in Housing I, herein above.

PART-B

The following perquisites shall not be included in the computation of the ceiling on remuneration specified in paragraph I of Section II of Part II of Schedule XIII of the Companies Act, 1956 :

1. Contribution to provident fund to the extent this is not taxable under the Income Tax Act.
2. Gratuity payable shall not exceed a half month's salary for each completed year of service.
3. Encashment of leave at the end of the tenure.

PART-C

The Company shall provide a car with driver and telephone facility at the residence of the Whole-Time Director . Provision of car with driver for use of Company's business and telephone facility at the residence will not be considered as perquisites. Personal long distance calls on telephone and use of car for private purpose shall be billed by the Company on the Whole-Time Director.

The aforesaid remuneration shall be subject to the limit of 5% of the net profits as laid down under sub-section (3) of section 309 of the Companies Act, 1956.

If the Company has no profits or the profits are inadequate in any financial year during the terms of his office as the Whole-Time Director, Sh. Utkarsh Dwivedi will be entitled to receive the above remuneration and perquisites as minimum remuneration, provided that the total remuneration, of salary, perquisites and any other allowances shall not exceed the ceiling as provided in section II of the Part II of Schedule XIII of the Companies Act, 1956 or such other amount and perquisites as/is may be provided in the said schedule XIII as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.

Copy of the Agreement executed between the Company and Shri Utkarsh Dwivedi is 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 concerned or interested in the said resolution except Sh. Utkarsh Dwivedi.

ITEM NO. 12

Sh. Mukesh Tripathi was co-opted as an Additional Director of the Company with effect from 28th May, 2013. Pursuant to section 260 of the Companies Act, 1956, and the Article of Association of the Company, Sh. Mukesh Tripathi holds office only upto the date of ensuing Annual General Meeting of the Company. In accordance with the provisions of Section 257, the Board of Directors proposed his appointment as Director liable to retire by rotation.

None of the Directors of the Company is concerned or interested in the said resolution except Sh. Mukesh Tripathi.

By order of the Board
B. B. SINGAL
V.P & Company Secretary

Registered Office:
Prakash Nagar, Sankhol,
Bahadurgarh – 124 507 (Haryana)
Dated : 28th May, 2013

ADDITIONAL NOTICE

Notice is hereby given that the following additional special business is to be transacted in addition to the matters specified Item No. 1 to 12 in the notice dated 28th May, 2013 of Annual General Meeting of the members of Surya Roshni Limited to be held on Friday, the 27th September, 2013 at 11.00 A.M. , at the Registered office of the Company at Prakash Nagar, Sankhol, Bahadurgarh - 124507 (Haryana) :

SPECIAL BUSINESS

13. 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 where so ever situated, present and future and the whole of the undertaking of the Company in favour of State Bank of India (SBI) to secure External Commercial Borrowing (ECB's) of US \$ 20 Million facility lent and advanced by State Bank of India (SBI) 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 (SBI) under Credit Arrangement entered into/to be entered into by the Company in respect of the aforesaid facility.

RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee of Directors authorized 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

B. B. SINGAL

V.P & Company Secretary

Registered Office:

Prakash Nagar, Sankhol,
Bahadurgarh – 124 507 (Haryana)
Dated : 2nd August 2013

NOTE

1. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Additional item no. 13 is annexed hereto.

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

ITEM NO. 13

Company has been sanctioned External Commercial Borrowing (ECB) facility of US \$ 20.0 Million from ICICI Bank which was approved by the shareholders in their meeting held on 28th September, 2011. The said loan facility of ECB's is takeover by State Bank of India (SBI), from ICICI Bank during the year. As the lender has changed from ICICI Bank to State Bank of India approval of the members is required on the said resolution.

ECB facility 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 (SBI) under Credit Arrangements entered into/to be entered into by the Company in respect of the aforesaid facility have to be secured by 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 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 State Bank of India (SBI) 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 Credit Arrangement(s) executed between the Company and State Bank of India and copies of the relevant documents / correspondence between the said SBI 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.

The Board of Directors recommends the resolution set out in item No. 13 for the approval of the shareholders.

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

By order of the Board

B. B. SINGAL

V.P & Company Secretary

Registered Office:

Prakash Nagar, Sankhol,
Bahadurgarh – 124 507 (Haryana)
Dated : 2nd August 2013

Corporate Information

BOARD OF DIRECTORS

J.P. Agarwal	<i>Chairman</i>
Raju Bista	<i>Managing Director</i>
Ravinder Kumar Narang	
Utpal Kumar Mukhopadhyay	
Tara Sankar Bhattacharya	
K. K. Narula	
Dev Dutt Das	<i>IDBI Nominee</i>
Utkarsh Dwivedi	<i>Dy. Managing Director</i>
Mukesh Tripathi	

EXECUTIVE DIRECTOR & CHIEF FINANCIAL OFFICER

Deepak Goyal

V.P & COMPANY SECRETARY

B. B. Singal

STATUTORY AUDITORS

Sastry K. Anandam & Company
Chartered Accountants

COST AUDITORS

R. J. Goel & Co.

BANKERS

- | | |
|--------------------------|-----------------------------|
| 1. State Bank of India | 5. IDBI Bank Ltd. |
| 2. Punjab National Bank | 6. State Bank of Travancore |
| 3. State Bank of Patiala | 7. Standard Chartered |
| 4. ICICI Bank | |

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

CONTENTS

Page No (s).

Management Discussion & Analysis	2
Directors' Report	6
Report on Corporate Governance	14
Auditors' Report	22
Balance Sheet	26
Profit & Loss Account	27
Notes on Financial Statements	28
Cash Flow Statement	51
Interest in Subsidiary Company	52
Consolidated Financial Statements	53

Management Discussion and Analysis

The road to sustained growth is steep and challenging at each step. While some would take the shorter routes for growth, Surya believe success achieved thus doesn't result in long-term impact. 39 years ago we embarked on this journey and today Surya Roshni is seen as a big Conglomerate with diverse businesses with units in different states. Each business was built with dedication and focus and going by the numbers, we sure have been successful in delivering what we set out for.

The company's core business comprises of lighting and steel tube products. We became the first lighting company in India to introduce energy-efficient lighting solutions and further continued to build our portfolio and brand in an overtly competitive market. SURYA competitively positioned today over its rivals and has become prominent brand in the consumer market due to the following factors –

- Largest ERW Pipe and Cold Rolled Strips Mills at Bahadurgarh, Haryana
- High Mast and ERW pipe Manufacturing unit at Malanpur, MP.
- Introduce Square & Section pipes in steel and thus increases its product Basket and achieved higher market share.
- Asia largest ribbon glass plant from Dema Glass UK at Gwalior, MP
- Surya is the only lighting company with 100 per cent backward integration. It manufactures all its components.
- Today, Surya is the second largest seller of GLS and FTL in India.
- State-of-the-art lighting laboratory in Noida that is one of the best lighting laboratories in Asia -Surya Technology & Innovation Centre (STIC). STIC has been recognized as an R & D centre by DSIR, Ministry of Science and Technology. Listed as one of the best testing laboratories in India by BEE (Bureau of Energy Efficiency) LED lighting system.
- Surya, has an international presence in more than 48 countries.
- Surya, offered a vast range of product line - up including Tube Lights, GLS, CFL Lamps, wide range of LED's, HPSV / Metal Halide Lamps, Street Lighting and High Mast etc and thereby participate in the growing infrastructure sector.
- 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.

Quality has always been the driving force in every process from the raw material stage to the finished product at Surya. Our commitment to deliver world-class solutions to our clients in the shortest time lag enabled us to establish presence across two corners of India and globally, leading to improved customer relationship.

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. Surya GLS also conforms to prestigious European safety standards - "CE" & TUV Bauart. At Surya, we utilized the tough times to strengthen our operations and thereby setting a grander stage for a promising future.

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.

Surya, understands in-depth the needs of its customers which guide it in adapting its technology to suit their new requirements and thus is the largest GI Pipe Manufacturer in India producing ½" – 100" Dia- Pipe for agriculture, household and Oil & Gas Sector .It produces API Pipes for India and for Exports & currently introduced Section Pipes in Steel Range to increase the product Basket and get higher market share.

Currently, the pipe division produces nearly 8 lakh MT per annum in both galvanized and black varieties, in sizes ranging from 15mm NB to 400mm NB and in various specifications. The

