



Report



2001-2002

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SUNSCO SERVICES, A...

## Audited Financial Results

|                                            | (Rs. in Crores) |               |               |               |               |
|--------------------------------------------|-----------------|---------------|---------------|---------------|---------------|
| Year March Ending                          | 1997-98         | 1998-99       | 1999-2000     | 2000-01       | 2001-02       |
| Turnover                                   | 632.09          | 718.51        | 776.33        | 824.80        | 806.57        |
| Profit Before Interest, Depreciation & Tax | 67.90           | 79.87         | 96.17         | 96.72         | 85.10         |
| Profit Before Depreciation & Tax           | 34.26           | 40.98         | 49.18         | 51.02         | 46.15         |
| Profit Before Tax                          | 12.34           | 14.43         | 15.69         | 16.00         | 13.90         |
| Profit After Tax                           | 11.05           | 12.93         | 13.84         | 14.61         | 11.18         |
| Dividend (%)                               | 10.00           | 12.00         | 15.00         | 10.00         | 10.00         |
| <b>Net Worth</b>                           |                 |               |               |               |               |
| Share Capital                              | 25.40           | 28.40         | 28.40         | 28.40         | 27.40         |
| Reserves                                   | 96.05           | 109.37        | 120.92        | 132.22        | 139.91        |
| <b>Total</b>                               | <b>121.45</b>   | <b>137.77</b> | <b>149.32</b> | <b>160.62</b> | <b>167.31</b> |
| <b>Gross Fixed Assets</b>                  | <b>385.88</b>   | <b>455.93</b> | <b>473.03</b> | <b>495.56</b> | <b>500.17</b> |



Pipes being despatched from Steel Unit at Bahadurgarh



## SURYA ROSHNI LIMITED

### BOARD OF DIRECTORS

|                         |                                              |
|-------------------------|----------------------------------------------|
| Shri B.D. Agarwal       | Chairman cum<br>Managing Director            |
| Shri K.K. Narula        |                                              |
| Shri S. Ananthakrishnan | IDBI Nominee                                 |
| Shri P.C. Gupta         |                                              |
| Shri V.K. Bhalla        | UTI Nominee                                  |
| Shri S.N. Arya          |                                              |
| Shri Rajendra Arya      |                                              |
| Shri J.P. Agarwal       | Vice-Chairman cum<br>Joint Managing Director |

### MANAGEMENT EXECUTIVES

#### Corporate

|                  |                    |
|------------------|--------------------|
| Shri S.N. Bansal | Executive Director |
|------------------|--------------------|

#### Lighting Division

|                   |                                        |
|-------------------|----------------------------------------|
| Shri A.P. Sharma  | Executive Director                     |
| Shri Chatur Singh | Chief General Manager<br>Kashipur Unit |

#### Steel Division

|                  |                        |
|------------------|------------------------|
| Shri Ashok Gupta | President (Operations) |
|------------------|------------------------|

### COMPANY SECRETARY

|                  |
|------------------|
| Shri B.B. Singal |
|------------------|

### AUDITORS

|                                                      |
|------------------------------------------------------|
| Sastry K. Anandam & Company<br>Chartered Accountants |
|------------------------------------------------------|

### BANKERS

|                      |
|----------------------|
| State Bank of India  |
| Punjab National Bank |
| Bank of India        |

### REGISTERED OFFICE AND WORKS-STEEL DIVISION

|                                                      |
|------------------------------------------------------|
| Prakash Nagar, Sankhol, Bahadurgarh-124507 (Haryana) |
| E-mail : srlakash@ndf.vsnl.net.in                    |

### WORKS-LIGHTING DIVISION

|                                                                                                  |
|--------------------------------------------------------------------------------------------------|
| 7 k.m. Stone, Kashipur-Moradabad Road,<br>Kashipur-244713 Distt. Udham Singh Nagar (Uttaranchal) |
|--------------------------------------------------------------------------------------------------|

|                                                                                     |
|-------------------------------------------------------------------------------------|
| J - 7, 8 & 9, Malanpur Industrial Area<br>Malanpur, District Bhind (Madhya Pradesh) |
| E-mail : srlmplpr@gwr1.dot.net.in                                                   |

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**When the sun sets, Surya rises.**



## SURYA ROSHNI LIMITED

### NOTICE

NOTICE is hereby given that the Twenty Ninth Annual General Meeting of the members of SURYA ROSHNI LIMITED will be held on Friday, the 27th day of September, 2002 at 10.30 a.m. at the Registered Office of the Company at Prakash Nagar, Sankhol, Bahadurgarh 124507 (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, 2002.
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 and/or to giving the power to takeover the management of the business and concern of the Company in certain events whether such power is contained in the documents creating the mortgage/charge or otherwise to or in favour of Industrial Development Bank of India (IDBI) for itself, and as agent of Banks/ Financial Institutions to secure :

- a) Rupee Term Loan of Rs.1000 lac (Rupees One thousand lac only) lent and advanced/agreed to be lent and advanced by IDBI to the Company.
- b) Rupee Term Loan of Rs.1000 lac (Rupees One thousand lac only) lent and advanced/agreed to be lent and advanced by Banks/ Financial Institutions to the Company.
- c) The Working Capital Limits of Rs.16700 lac, secured on Second Charge basis, lent and advanced/agreed to be lent and advanced by State Bank of India, Punjab National Bank and Bank of India to the Company. The details are as under:

| S.No. | Consortium Banks     | (Rs. In lac) |
|-------|----------------------|--------------|
| 1.    | State Bank of India  | 8200         |
| 2.    | Punjab National Bank | 7400         |
| 3.    | Bank of India        | 1100         |
|       | <b>Total</b>         | <b>16700</b> |

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, Banks/ Financial Institutions 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: 26th June, 2002

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 25th September, 2002.

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 11th September, 2002 to 17th September, 2002 (both days inclusive).
4. Members are requested to furnish their Permanent Account Number (PAN), change of address, 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 System (ECS) to the Company in respect of shares held in physical form and to their respective Depository Participants if the shares are held in electronic form. Members are requested to note that submission of Permanent Account Number (PAN) is mandatory (except for non-residents) and non-compliance of the same attracts penal consequences under provisions of the Income Tax Act, 1961.

No deduction of tax at source shall be made if the dividend payable to an individual shareholder does not exceed the limit prescribed under Section 194 of Income Tax Act, 1961.

Members who are resident Indians and are desirous of obtaining dividend payment without deduction of tax at source may file with the Company at its Head Office at 408, Padma Tower-I, 5, Rajendra Place, New Delhi - 110 008, a declaration in Form No.15G, in duplicate or a certificate of no deduction of tax or deduction at lower rates from dividend, issued by Assessing Officer of the members in Form No.15 before 11th September, 2002.

Members who have submitted Form 15G for non-deduction of tax are requested to note that the said declaration will be ignored if the aggregate dividend amount distributed or paid or likely to be distributed or paid during the Financial Year exceeds Rs.50,000/- being the maximum amount not chargeable to tax.

**When the sun sets, Surya rises.**

Notice



## SURYA ROSHNI LIMITED

5. Pursuant to Section 205A of the Companies Act, 1956, dividend for the financial year ended 31st March, 1995, and thereafter, 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, 1995, or any subsequent financial year(s) are requested to make their claim at the following address :

The Company Secretary  
Surya Roshni Limited  
408, Padma Tower-I, 5, Rajendra Place,  
New Delhi - 110 008.

6. Members holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company as permitted under Section 109A of the Companies Act, 1956, are requested to submit the prescribed Form 2B, duly filled at the above address.

7. Information provided as per Clause 49VI(A) of the Listing Agreement:

Shri Rajendra Arya and Shri K. K. Narula, directors of the Company, retire by rotation at this Annual General Meeting and, being eligible, offer themselves for reappointment.

Shri Rajendra Arya, aged about 33 years, has been a director of the Company since November, 1997. He is a member of the company's Audit and Remuneration Committees and is a Director in Prakash Surya Industries Ltd. and Surya Herbal Ltd.

Shri Arya holds a degree in B.E. (CIVIL) from Malaviya Regional Engg. College, Jaipur in the year 1993. He has a rich experience of over 9 years in the administrative field.

Shri K.K. Narula, aged about 63 years, has been a director of the Company since March, 2000. He is the Chairman of the company's Audit Committee and does not hold directorship in any other company.

Shri Narula is an 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 42 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.

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

#### ITEM NO.6

The Company has been sanctioned the term loan(s) from IDBI and Banks/Financial Institutions and Working Capital Limits from Consortium Banks i.e. SBI, PNB and Bank of India for its Steel and Lighting Divisions. The details are as under :

- a) Rupee Term Loan of Rs.1000 lac (Rupees One thousand lac only) lent and advanced/agreed to be lent and advanced by IDBI to the Company.

- b) Rupee Term Loan of Rs.1000 lac (Rupees One thousand lac only) lent and advanced/agreed to be lent and advanced by Banks/ Financial Institutions to the Company.

- c) The Working Capital Limits of Rs.16700 lac, secured on Second Charge basis, lent and advanced/agreed to be lent and advanced by State Bank of India, Punjab National Bank and Bank of India to the Company. The details are as under:

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| 3.    | Bank of India        | 1100         |
|       | <b>Total</b>         | <b>16700</b> |

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 and Banks/ Financial Institutions under Loan Agreements entered into/to be entered into by the Company in respect of the aforesaid loans.

The financial assistance from the above institutions and Banks (referred as Lenders) 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 is interested in the resolution, except Sh. S Ananthakrishnan, who is the nominee of IDBI.

By Order of the Board

Registered Office:  
Prakash Nagar, Sankhol,  
Bahadurgarh - 124 507  
(Haryana)  
Dated: 26th June, 2002

B. B. Singal  
Company Secretary



Notice

When the sun sets, Surya rises.



## MANAGEMENT DISCUSSION AND ANALYSIS

### PROFILE

Surya Roshni Limited was incorporated on 17th October, 1973 under the name 'Prakash Tubes Limited'. The present name came into existence vide Registrar of Companies (NCT Delhi and Haryana) letter dated 14.12.1990. Your company began its journey in the Steel Tubes Industry and later diversified into manufacture of Lighting products in 1984. Today, your company is the leader in Steel Tubes / Pipes market and the second largest Lighting company in India.

Quality has always been the driving force at Surya. Your company succeeded in bench-marking quality and innovation standards by achieving the ISO 9002 in the year 1999 and is in the process of getting ISO-14001 and ISO 18001 related to Safety and Environment respectively.

### INDUSTRY STRUCTURE AND DEVELOPMENT

During the year under review, the Lighting Industry witnessed a recession and there was a large gap between supply and demand resulting into a major short fall in the production as well as turnover.

The following would impact the market in the coming years :

- Small Scale Industry in GLS
- Cheap brands of tube lights in the market introduced recently
- The increasing cost of electricity resulting into opting for low wattage items such as CFL/EL by the customers
- Cut-throat competition in the market due to presence of numerous players

After starting on an optimistic note, the Steel Tubes industry too witnessed a downward trend during the year under review. Lack of demand resulted in a huge over supply situation. The future is likely to see only those companies successful, which have their products priced competitively. All possible efforts are being made by your company to reduce costs without compromising on the quality of the product.

### SWOT ANALYSIS

#### Strengths :

- A highly skilled, dedicated and motivated workforce
- State-of-the-art technology
- Complete backward integration
- High quality of products
- People driven organisation with highly innovative practices
- Nation-wide marketing network
- Well defined and strictly implemented internal control system

#### Weaknesses :

- Low margin of profit on the products
- No concrete strategy to cope with external market forces
- Under utilisation of production capacity due to demand constraints

#### Opportunities :

- Potential increase in demand of energy efficient products
- Good potential in exports due to low cost and world standard quality products
- Increase in demand of regular lighting products with a general improvement in the power condition in urban as well as rural sectors

- Potential increase in government spending on infrastructure development and resulting increase in the demand for both lighting products as well as steel pipes

#### Threats :

- Tough competition from multi-national companies
- Cheap branded/unbranded and spurious products from the unorganised sector
- Duplicacy of branded products by unorganised sector
- Several plants, presently in shut-down position, with idle capacity for similar products
- General recessionary trend in industrial sector as a whole and particularly in lighting industry

### SEGMENT-WISE PERFORMANCE :

The company is broadly divided into two main segments viz. Steel and Lighting.

A detailed note on the segment-wise performance is given at point no. B. 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 are used. The existing refineries are expanding their capacities and new refineries are coming into the scene. To save the transportation cost, the companies are planning to lay pipelines for transportation of oils and gases. The government spending on infrastructure development is also expected to increase the demand of pipes every year. With the cheaper 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 Steel Tubes industry remains positive.
- Proposals may be considered for merger/takeover of non-performing/sick units which are available at low cost, but have a potential for being turned into profitable units.

### 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. At SURYA, the continuing modernisation process has 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.

During the prolonged international recessionary trend, the company too witnessed a slowdown. However, aggressive cost cutting and addition to the product mix to incorporate more value-added products, yielded a positive contribution, enabling the company to weather the recession. 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.

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

When the sun sets, Surya rises.

Management Discussion



## SURYA ROSHNI LIMITED

heavy penalties. The company is taking utmost care to ensure very high quality of products. During the year under review, the company spent approx. Rs.5 crores on upgradation of technology in order to ensure compliance of the quality norms.

### INTERNAL CONTROL SYSTEM :

Surya has a proper and adequate system of internal control to ensure that all the assets are safe-guarded and protected against loss due to unauthorised use and that all the transactions are duly authorised, recorded and reported correctly. There is an Internal Audit department fully committed towards ensuring due compliance and propriety at all levels in the organisation by conducting audits at regular intervals. The department reports directly to the Audit Committee which in turn reports its observations to the Board of Directors.

During the year under review, the company successfully implemented the E.R.P. (Enterprise Resource Planning) System to ensure transparency and to provide meaningful and systematic information to the management at various levels. This has been designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of the assets.

The company's Internal Control System sets forth the management's commitment to conduct business with highest ethical standards and in conformity with laws of the land. The said system further requires that the documents supporting all transactions clearly describe their true nature and that all transactions be properly reported and classified in the records.

### FINANCIAL PERFORMANCE :

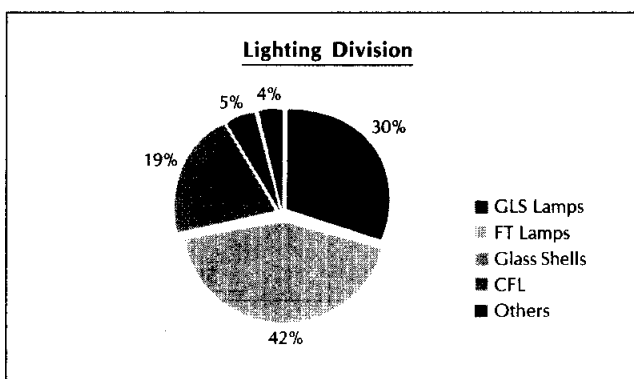
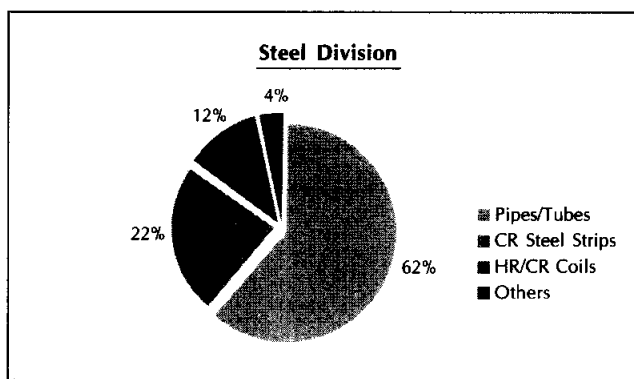
In spite of the prolonged recession, your company was able to maintain itself as a leader in the Steel Tubes industry and as a strong contender in the Lighting industry. Given under are the financials of the company for the current as well as the previous year :

(Rs. in crores)

| Particulars                                    | 2001-2002 | 2000-2001 |
|------------------------------------------------|-----------|-----------|
| Profit for the year                            | 46.15     | 51.02     |
| Less : Depreciation                            | 32.25     | 35.02     |
| Profit before tax                              | 13.90     | 16.00     |
| Provision for tax                              | 2.72      | 1.39      |
| Net Profit after tax                           | 11.18     | 14.61     |
| Balance brought forward from the previous year | 45.14     | 35.09     |
| Profit available for appropriations            | 56.32     | 49.70     |
| Less :                                         |           |           |
| Capital Redemption Reserve                     | 0.50      | 0.50      |
| Proposed Equity Dividend                       | 2.54      | 2.54      |
| Proposed Preference Dividend                   | 0.30      | 0.42      |
| Tax on Distributed Profits                     | -         | 0.30      |
| Transferred to General Reserve                 | 0.50      | 0.80      |
| MAT credit utilised                            | 2.24      | -         |
| Balance carried to Balance Sheet               | 50.24     | 45.14     |

### OPERATIONAL PERFORMANCE :

During the year under review, the revenue distribution of various products of the two divisions was as under :



### HUMAN RESOURCE AND INDUSTRIAL RELATIONS :

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.

Relationship has been very cordial with the workers' union for the past several years. During the month of December 2001, the management executed wage agreement with the union, which shall be applicable till 31st December, 2004.

### CAUTIONARY STATEMENT :

Statements in this Management Discussion and Analysis describing the company's objectives and projections may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.



## Management Discussion

**When the sun sets, Surya rises.**



## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Twenty Ninth Annual Report on the operations of your Company, together with audited accounts for the year ended 31<sup>st</sup> March, 2002.

### 1. FINANCIAL RESULTS

(Rs. in crores)

| Particulars                                    | 2001-2002 | 2000-2001 |
|------------------------------------------------|-----------|-----------|
| Profit for the year                            | 46.15     | 51.02     |
| Less: Depreciation                             | 32.25     | 35.02     |
| Profit before Tax                              | 13.90     | 16.00     |
| Provision for Tax                              | 2.72      | 1.39      |
| Net Profit after tax                           | 11.18     | 14.61     |
| Balance brought forward from the previous year | 45.14     | 35.09     |
| Profit available for appropriations            | 56.32     | 49.70     |
| Less :                                         |           |           |
| Capital Redemption Reserve                     | 0.50      | 0.50      |
| Proposed Equity Dividend                       | 2.54      | 2.54      |
| Proposed Preference Dividend                   | 0.30      | 0.42      |
| Tax on Distributed Profits                     | —         | 0.30      |
| Transferred to General Reserve                 | 0.50      | 0.80      |
| MAT credit utilised                            | 2.24      | —         |
| Balance carried to Balance Sheet               | 50.24     | 45.14     |

### 2. DIVIDEND

Your Directors are pleased to recommend the payment of dividend @ Re. 1.00 per share on the paid up equity share capital of Rs.25.40 crores. The dividend on Equity Shares, if approved at the Meeting, will be payable to those shareholders whose names appear on the company's register of members on 17th September, 2002. In respect of shares held in dematerialised form, the dividend shall be payable on the basis of beneficial ownership as at the end of 10th September, 2002, as per the details furnished by National Securities Depository Ltd./Central Depository Services (India) Ltd. for the purpose, as on that date.

Your Directors also recommend the payment of dividend @ 14% p.a. on 3,00,000 Redeemable Cumulative Preference Shares of Rs.66.67/- each.

The dividend will absorb Rs. 2,84,00,702/-.

### 3. PERFORMANCE DURING THE YEAR UNDER REVIEW

During the year under review, the turnover of your Company declined to Rs. 806.57 crores from Rs.824.80 crores last year, a fall of 2.2% and gross profit to Rs. 46.15 crores from Rs.51.02 crores last year, a fall of 9%. The performance of the various divisions and the subsidiaries of your Company is given below:

#### STEEL DIVISION

During the year under review, the turnover of the division increased marginally to Rs. 486 crores as compared to Rs. 472 crores last year, an increase of 2.88%. The division has, however been able to maintain its leadership in the Steel Tubes'

market. The initiatives taken to establish the product in global market have also started to show results. The product is now well established in some countries with orders flowing on a regular basis.

#### LIGHTING DIVISION

There was a general recession in the industrial sector as a whole and particularly in the Lighting industry. Most of the major Lighting Companies in India witnessed a fall in the performance recorded. The division, too, recorded a drop of 8% and 28.3% in the turnover and profit respectively. In order to counter the depressed domestic market, strategies are being continuously developed to give greater thrust to the exports.

#### SUBSIDIARIES

**Surya Roshni Inc.**, a wholly owned subsidiary of the company in USA, made a significant progress during the year under review. It achieved a turnover of US\$ 3.130 millions (over Rs. 15 crores) registering a growth of over 250% as compared to the previous year.

**Surya Roshni (HK) Limited.**, a wholly owned subsidiary of the company in Hong Kong, remained inactive during the year under review.

### 4. FUTURE PROSPECTS

Continuous efforts are being made to capture markets both in India and abroad. Well defined strategies are being implemented in order to boost the demand for your company's products. As a result of the sincere initiatives being taken at all levels, the turnover and profitability of your company during the current year are likely to reflect a commendable growth as compared to those of the year under review. Benefits would further accrue with the subsidiary in Hong Kong becoming operational and that in USA continuing its excellent performance.

### 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, 171 deposit holders, whose deposits, aggregating to Rs.34.41 lac, had become due for payment, did not claim or renew their deposits. Since then, deposits aggregating to Rs.14.19 lac 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 to the Directors' Report.

### 7. PARTICULARS OF EMPLOYEES AND DISCLOSURE OF INFORMATION

There were no employees drawing remuneration more than the limit prescribed under Section 217(2A) of The Companies Act, 1956, and the Companies (Particulars of Employees) Rules, 1975, as amended.

When the sun sets, Surya rises.

Directors' Report



## SURYA ROSHNI LIMITED

### 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 alongwith 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 or loss 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, Messers. 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 account.

### 11. ACKNOWLEDGMENT

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: 26th June, 2002

### ANNEXURE 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, 2002.

#### I. CONSERVATION OF ENERGY

##### a) Energy conservation measures taken:

###### At Steel Division, Bahadurgarh :

- The fan type cooling towers were replaced by fan-less cooling towers for high frequency welder plants.
- Automatic temperature controller for fan On/Off were installed in DG house cooling tower and aluminium blades of fan were replaced by FRP blades.
- Additional capacitor banks installed to improve power factor to reduce time losses.

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

- Replaced 250W Sodium Vapour Lamps with 150W Sodium Vapour Lamps in the street lights.
- New configuration of vacuum pumps introduced on HMT, Osram & FTL chains.
- Converted conventional chokes to electronic chokes for FTL fixtures.
- Converted W type heating elements to Nichrom Wire in FTL Exhaust Heating Oven.
- Carried out various operations connected to AC Drives.
- Refrigerator type air dryer introduced.

###### At Kashipur Unit of Lighting Division :

- Changed over to LDO from HSD for own power generation.
- All TL exhaust ovens were modified to save upto Rs. 52.28 lacs.
- Power consumption reduced by controlling input voltage to production machines.
- A.C drives incorporated for various plant machines.
- Rotary coating machine fabricated inhouse for TL coating, saving HSD consumption.
- UPCL load surrendered upto 500 KVA.
- Booster KW reduced from 65KW to 35KW in KTG furnace.
- Energy savers installed for general and street lighting.
- Propane consumption reduced by reducing one round of burners in baker and reducing propane pressure.

##### b) Additional investment and proposals, being implemented for reduction of consumption of energy:

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

- FTL baker to be modified for power/fuel saving by reducing the length of burners.
- FRP type blades to be used instead of aluminium blades.
- Chiller units installed for cooling of FTL exhaust machine heads.
- Introduction of HBT in A-60 lamps.



Directors' Report

When the sun sets, Surya rises.



## SURYA ROSHNI LIMITED

### At Kashipur Unit of Lighting Division :

- IN TL plant, Exhaust oven heaters will be modified for better vacuum quality and power saving.
- Capacity of TL coating m/c will be increased to feed coated shells to all four chains.
- In TL plant, Ready-to-use LIW pick-up will be developed to reduce LIW wastage.
- In Filament plant, Scrubber/dissolving system will be replaced to control pollution.

- c) **Impact of the measures at a) above for reduction of energy consumption and consequent impact on the cost of production of goods:**  
The above measures resulted in substantial savings in the consumption of energy and consequent savings 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 |           |
|------------------------------------------|-------------------------|-----------|-------------------|-----------|
|                                          | 2001-2002               | 2000-2001 | 2001-2002         | 2000-2001 |
| <b>A) Power and Fuel Consumption</b>     |                         |           |                   |           |
| 1. Electricity                           |                         |           |                   |           |
| a) Purchased                             |                         |           |                   |           |
| Units (in thousands)                     | 15211.86                | 10298.00  | 15276.37          | 16511.57  |
| Total Amount (Rs.in lacs)                | 623.80                  | 428.42    | 681.89            | 720.51    |
| Rate/Unit (Rs.)                          | 4.10                    | 4.16      | 4.46              | 4.36      |
| b) Own Generation                        |                         |           |                   |           |
| Through Diesel Generator                 |                         |           |                   |           |
| Units (in thousands)                     | 5063.23                 | 9029.00   | 11269.90          | 13973.55  |
| Unit per Ltr. of HSD                     | 3.07                    | 3.14      | 3.43              | 3.43      |
| Cost/Unit (Rs.)                          | 5.09                    | 4.47      | 4.41              | 4.16      |
| c) Own Generation by                     |                         |           |                   |           |
| Natural Gas Generator Set                |                         |           |                   |           |
| Units (in thousands)                     | 862.30                  | 1248.92   | -                 | -         |
| Unit per SCM                             | 1.12                    | 1.26      | -                 | -         |
| Cost/Unit (Rs.)                          | 3.84                    | 3.44      | -                 | -         |
| 2. Furnace Oil/RFO/LDO                   |                         |           |                   |           |
| Qty. (K. Ltrs.)                          | 154.00                  | 314.00    | 7907.40           | 8137.55   |
| Total amount (Rs. in lacs)               | 20.25                   | 38.96     | 737.98            | 925.47    |
| Avg. Rate (Rs.)                          | 13.15                   | 12.40     | 9.33              | 11.37     |
| 3. Natural Gas used in GI Pipe & CR Mill |                         |           |                   |           |
| Qty. SCM3 (in thousands)                 | 3221.11                 | 2869.11   | -                 | -         |
| Total amount (Rs. in lacs)               | 138.76                  | 124.62    | -                 | -         |
| Rate / SCM (Rs.)                         | 4.31                    | 4.34      | -                 | -         |
| 4. L.P.G.                                |                         |           |                   |           |
| Qty. (Tonnes)                            | -                       | -         | 2047.42           | 2247.92   |
| Total amount (Rs.in lacs)                | -                       | -         | 345.08            | 460.65    |
| Rate/KG (Rs.)                            | -                       | -         | 16.85             | 20.49     |
| 5. Diesel                                |                         |           |                   |           |
|                                          | (LDO Used in C.R. Mill) |           |                   |           |
| Qty. (K. Ltrs)                           | 305.00                  | 211.22    | 738.42            | 1064.34   |
| Total amount (Rs.in lacs)                | 41.16                   | 26.61     | 113.16            | 150.70    |
| Rate/Ltr. (Rs.)                          | 13.49                   | 12.60     | 15.32             | 14.16     |
| 6. Propane                               |                         |           |                   |           |
| Qty. (Tonnes)                            | -                       | -         | 1841.07           | 1829.81   |
| Total amount (Rs. in lacs)               | -                       | -         | 283.07            | 294.35    |
| Rate/KG. (Rs.)                           | -                       | -         | 15.38             | 16.09     |

When the sun sets, Surya rises.

Directors' Report