



SURYA ROSHNI LIMITED

BOARD OF DIRECTORS

J. P. Agarwal	Chairman & Managing Director
Ravinder Kumar Narang	
Urmil Agarwal	
K. K. Narula	
B. B. Chadha	
M. G. Bakre	IDBI Nominee
Mukesh Tripathi	
S. N. Bansal	Dy. Managing Director (Finance & Corp. Mgmt.)
Vineet Garg	Dy. Managing Director (Projects & Corp. Mgmt.)
Arvind Bansal	Dy. Managing Director (Operations & Corp. Mgmt.)
Raju Bista	Director (Corporate)

MANAGEMENT EXECUTIVES

V. R. Majumdar	Chief Advisor (LBG)
N. K. Mayson	Executive Director (Steel Division)
P. K. Pandey	Chief General Manager (Kashipur)
R. K. Jaggi	Chief General Manager (Malanpur)
Krishna Raman	Sr. Vice-President (Sales & Mktg.) - LBG
S. K. Bhasin	Vice-President - Pipe Division
A. N. Banerjee	Vice-President - CR Division
Sanjay Goel	Sr. Vice-President (Corporate)
Anil Bansal	Vice-President (Commercial)

COMPANY SECRETARY

B. B. Singal

STATUTORY AUDITORS

Sastry K. Anandam & Company
Chartered Accountants

COST AUDITORS

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

BANKERS

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

REGISTERED OFFICE AND WORKS-STEEL DIVISION

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

WORKS-LIGHTING DIVISION

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

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SURYA ROSHNI LIMITED

NOTICE

Notice is hereby given that the Thirty Sixth Annual General Meeting of the members of **SURYA ROSHNI LIMITED** will be held on Thursday, the 24th September, 2009 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

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, 2009.
2. To declare dividend.
3. To appoint a Director in place of Shri B B Chadha, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Smt. Urmil Agarwal, who retires by rotation and, being eligible, offers herself for re-appointment.
5. To appoint Auditors and to fix their remuneration.

SPECIAL BUSINESS

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

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

- a) Term Loan of Rs.2000 lac (Rupees Two thousand lac only) lent and advanced by State Bank of India (SBI) to the Company.
- b) Additional Bill Discounting Limit of Rs.300 lac (Rupees Three hundred lac only) lent and advanced by Small Industrial Development Bank of India (SIDBI) to the Company.
- c) Term Loan of Rs.2000 lac (Rupees Two thousand lac only) lent and advanced by Canara Bank (CB) to the Company.
- d) The Working Capital Limits of Rs.32000 lac, secured on Second Charge basis, lent and advanced/agreed to be lent and advanced by State Bank of India, Punjab National Bank, State Bank of Patiala and Industrial Development Bank of India Ltd. to the Company. The details are as under;

S. No.	Consortium Banks	(Rs. In Lac)
1	State Bank of India	15000
2	Punjab National Bank	12200
3	State Bank of Patiala	2500
4	Industrial Development Bank of India Ltd.	2300
	Total	32000

together with interest thereon at the respective agreed rates, interest tax, compound interest, additional interest, liquidated

damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company to IDBI Ltd., State Bank of India, State Bank of Patiala, SIDBI, Canara Bank and Punjab National Bank under Loan Agreements entered into/to be entered into by the Company in respect of the aforesaid loans.

RESOLVED FURTHER THAT the Board of Directors of the Company or a Committee of Directors authorised by the Board in this behalf be and is hereby authorised to finalise all agreement(s) for creating mortgage and/or charge as aforesaid and to do all such acts, deeds and matter as may be necessary or expedient for giving effect to the above resolution."

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

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

8. To consider and, if thought fit, to pass with or without modification(s), 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."

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

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

10. To Consider and, if thought fit, to pass with or without modifications, the following resolution as a Special 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 Raju Bista as the Whole-Time Director of the Company for a period of five years commencing from 18th June, 2009 to 17th June, 2014, as set out in the draft Agreement proposed to be entered between the Company and Shri Raju Bista, the main terms of which are set out in this notice, which draft 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 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,

SURYA ROSHNI LIMITED



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."

By Order of the Board

Registered Office :

Prakash Nagar, Sankhol,
Bahadurgarh - 124 507 (Haryana)
Dated : 23rd July, 2009

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 611, 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 11:00 a.m. on 22nd September, 2009.

2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item no. 6 to 10 is annexed hereto.
3. The Register of Members and Share Transfer books of the Company will remain closed from 08.09.2009 to 11.09.2009 (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. Pursuant to Section 205A of the Companies Act, 1956, dividend, which remains unpaid or unclaimed for a period of seven years will be transferred to the Investor Education & Protection Fund of the Central Government.

Members who have not encashed their dividend warrant so far for the financial year ended 31st March, 2002, or any subsequent financial year(s) are requested to address their claim to The Company Secretary, Surya Roshni Limited, 611, Padma Tower-I, 5, Rajendra Place, New Delhi - 110 008.

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

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

Shri B. B. Chadha, aged about 71 years, has been a director of the Company since October, 2003. He is a director in Jay Yushin

Ltd., Delton Cables Ltd., Intex India Ltd., Llyods Metal & Engg. Ltd. and Innovative H R Consultants (P) Ltd. He is a Chairman in Audit Committee of Jay Ushin Ltd. and Llyods Metal & Engg. Limited. He is also a Chairman in Remuneration Committee of Intex India Ltd. Beside this, he is a member in Remuneration Committees and Investor Grievance Committee of Jay Ushin Ltd. and a member in Audit Committee of Intex India Ltd. Shri Chadha is a Fellow member of Institute of Cost and Works Accountants (ICWA) of India and member of Institute of Internal Auditors, Florida, USA. He has a vast experience of over 51 years in the field of Finance and other functional areas. Further he is holding 2000 shares of the Company.

Smt. Urmil Agarwal, aged about 56 years, has been closely associated with the business of the company and has been assisting her husband Sh. J. P. Agarwal (Chairman & Managing Director) for the past 31 years. She hold one directorship in other company. Further, she is holding 2,00,431 shares of the Company.

Shri Ravinder Kumar Narang, aged about 70 years, has been appointed as an additional director of the Company on 18th June, 2009. He holds directorship in Surya Global Steel Tubes Limited and Bansal Naturevest Limited. He has done B.E (Mech) from University of Roorkee in the year 1961 and stood 2nd in the University. At present he is a Distinguished Fellow of The Energy and Resources (TERI) working in the area of Sustainable Development Outreach, Corporate Social Responsibility & Environment. Post Retirement he was full time director in Reliance Petroleum Limited followed by Advisor after the merger of Reliance Petroleum with Reliance Industries Ltd. He acted as an advisor of established groups for feasibility study and project development in the area of Coal Bed Methane, Refinery, Liquefied Natural Gas (LNG) terminal, development of marketing network. He was also the Chairman of Indian Oil Corporation Limited, Indo-Mobil Limited, Indian Oil Tanking and many other established corporates during his service tenure. He has a vast experience of over 48 years in the field of Operations, Project Development, Marketing Network and other functional areas. Further he is not holding any shares of the Company.

Shri Mukesh Tripathi, aged about 32 years, has been appointed as an additional director of the Company on 18th June, 2009. He holds the directorship in Budhiya Marketing Pvt. Ltd. He is a Graduate in Commerce from Delhi University and also pursuing Master of Business Administration (MBA) in Human Resource Development. He has an experience of over 10 years in the field of Human Resource Development, Personality Development, Naturopathy, Meditation, Yoga and contributes a lot for School Education. Further he is not holding any shares of the Company.

Shri Raju Bista, aged about 23 years, working as a General Manager of the Company. He holds the directorship in Surya Global Steel Tubes Limited and Surya Global Infrastructure Limited. He is a Graduate in Arts from Manipur. He is a person of great nationalistic outlook and joined Surya Foundation an NGO in furtherance of his deep rooted desire to develop the youth of the country. As General Manager, he contributed a great deal in building up personality of Surya Youth. His management and planning skills are valuable factors in the growth of the Company. Further he is not holding any shares of the Company.



SURYA ROSHNI LIMITED

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 and additional Bill Discounting limit from SIDBI and working capital limits from consortium Banks i.e. State Bank of India, Punjab National Bank State Bank of Patiala and Industrial Development Bank of India Ltd. for its Steel and Lighting Divisions. The details are as under:

- Term Loan of Rs.2000 lac (Rupees Two thousand lac only) lent and advanced by State Bank of India (SBI) to the Company.
- Additional Bill Discounting Limit of Rs.300 lac (Rupees Three hundred lac only) lent and advanced by Small Industrial Development Bank of India (SIDBI) to the Company.
- Term Loan of Rs. 2000 lac (Rupees Two thousand lac only) lent and advanced by Canara Bank (CB) to the Company.
- The Working Capital Limits of Rs.32000 lac, secured on Second Charge basis, lent and advanced/agreed to be lent and advanced by State Bank of India, Punjab National Bank , State Bank of Patiala and Industrial Development Bank of India Ltd. to the Company. The details are as under;

S. No.	Consortium Banks	(Rs. In Lac)
1	State Bank of India	15000
2	Punjab National Bank	12200
3	State Bank of Patiala	2500
4	Industrial Development Bank of India Ltd.	2300
	Total	32000

the financial assistance together with interest thereon at the respective agreed rates, interest tax, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company to IDBI Ltd., State Bank of India, State Bank of Patiala, SIDBI, Canara Bank and Punjab National Bank under Loan Agreements entered into/to be entered into by the Company in respect of the aforesaid loans have to be secured by a joint mortgage of all the immovable and movable properties of the Company, present and future.

Section 293(1)(a) of the Companies Act, 1956, provides inter alia that the Board of Directors of a Public Company shall not, without the consent of such Public Company in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking. Since the mortgage by the Company of its immovable and movable properties as aforesaid in favour of the Lenders may be regarded as disposal of the Company's properties/undertakings, it is necessary for the members to pass a resolution under Section 293(1)(a) of the Companies Act, 1956, before creation of the said mortgage/charge.

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

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

ITEM NO. 7

Sh. Ravinder Kumar Narang was co-opted as an Additional Director of the Company with effect from 18th June, 2009. Pursuant to section 260 of the Companies Act, 1956, and the Article of Association of the Company, Sh. Ravinder Kumar Narang 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 is concerned or interested in the said resolution except Shri Ravinder Kumar Narang.

ITEM NO. 8

Sh. Mukesh Tripathi was co-opted as an Additional Director of the Company with effect from 18th June, 2009. 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 is concerned or interested in the said resolution except Shri Mukesh Tripathi.

ITEM NO. 9 & 10

In view of increasing the operations of the Company and to strengthen the Board, Shri. Raju Bista was co-opted as an Additional Director of the Company with effect from 18th June, 2009 .

Pursuant to Section 260 of the Companies Act, 1956 , and the Articles of Association of the Company , Shri. Raju Bista 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.

Shri Raju Bista was drawing the following monthly remuneration as General Manager :

Basic Salary : Rs. 20150/-

House Rent Allowance : 40% of the Basic Salary and Perquisites as detailed below :

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

Shri Raju Bista 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 18th June, 2009 for a period of five years w.e.f. 18th June, 2009 on the following remuneration and terms and conditions, subject to the approval of Members , and other concerned authority, if necessary.

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SALARY : Salary of Rs 50000/- per month in the Grade of 50000-7500-80000.

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 and telephone facility at the residence of the Whole-Time Director. Provision of car 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. 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.

Copy of the Agreement / Draft Agreement executed / to be executed between the Company and Shri Raju Bista 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. Raju Bista.

By Order of the Board

Registered Office :

Prakash Nagar, Sankhol,
Bahadurgarh - 124 507 (Haryana)
Dated : 23rd July, 2009

B. B. SINGAL
COMPANY SECRETARY



SURYA ROSHNI LIMITED

MANAGEMENT DISCUSSION AND ANALYSIS

PROFILE

From a small beginning in 1973 as a tube making unit, SURYA ROSHNI LIMITED has emerged today as a vast conglomerate with the largest ERW pipe manufacturing plant in India, a large cold rolling strip mill at Bahadurgarh (Haryana) and two lighting units one each at Kashipur (Uttarakhand) and Malanpur (MP) producing fluorescent tube lights, GLS lamps, CFL lamps, HPSV Lamps, HPMV Lamps and Metal Halide Lamps. It is a remarkable achievement that Surya is the only lighting company of India with 100% backward integration.

In today's global economy quality indicates the parameter of company's success. Your company's success both domestic and globally is due to adoption of higher level of quality controls and management which now becomes the driving force of our success. Your company succeeded in bench-marking quality and innovation standards by achieving the ISO 9002 in the year 1999. The company was awarded ISO-14001 and OHSAS-18001 certifications related to environment and safety respectively.

Your company continues to be committed towards making best of quality products at the affordable price though technology upgradation, value proposition, deep concern for customer satisfaction and at the same time ensuring human as well as environment safety and thus enhance value addition to the investors and to the society as a whole. No doubt, SURYA standing poised towards achieving new heights, is on its way to becoming one of the leading brand globally.

INDUSTRY STRUCTURE AND DEVELOPMENT

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

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

To overcome these problems the company has started manufacturing complete range of Energy Saving Lamps (CFL) and shall be focusing primarily on the manufacture of High Mast Towers and Octagonal Street Light and other innovative lamps. The Luminaire Business Group (LBG) of the company has made good progress in the recent time by picking good orders for Luminaires / HID Lamps & High Masts from established Public Sector Undertakings / Public Work Dept's & Local Bodies as well as from a wide spectrum of Industrial & Commercial Luminaire Buyers. Surya LBG is poised to achieve higher growth in the upcoming years with clear focus on achieving total customer satisfaction.

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

SWOT ANALYSIS

Strengths :

- Nationally and Internationally accepted "SURYA" Brand.
- Well focused vision of the Management
- Complete backward integration

- High quality of products
- Nation-wide marketing network

Weaknesses :

- Low margin due to cut throat competition
- Uncertainties of external market forces

Opportunities :

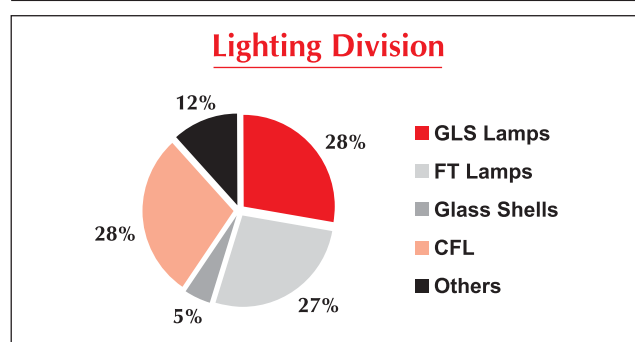
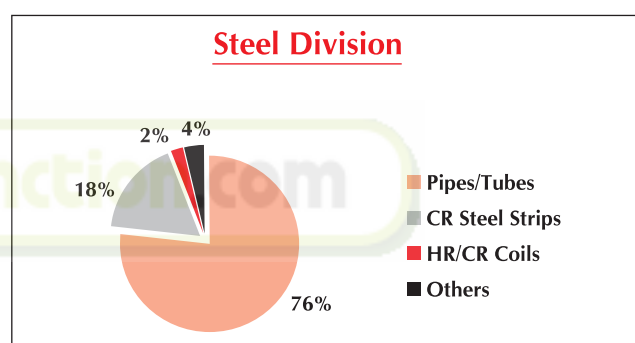
- Potential increase in demand of energy efficient products
- Untapped potential in outsourcing and marketing of Luminaries
- Increase in demand of regular lighting products with a general improvement in the power condition in urban as well as rural sectors and increase in spending on infrastructure development
- Area of High Masts Tower and Street Light Poles.
- Area of Luminaries & Light fittings.

Threats :

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

SEGMENT-WISE PERFORMANCE

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



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

OUTLOOK

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

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get a major boost. In view of the same, the long term outlook of the Company remains positive. One new furnace for hydrogen annealing of capacity of 18000 M.T Per Annum is being put to further improve the quality of the CR product. Further, the Company has decided to install sixth Galvanizing Plant to enhance the capacity of galvanizing by 36000 M.T per annum. Order has already been placed in China for the modernization and up-gradation of existing API Mill to cater the quality requirement of our esteemed customers. All these measures will help in increasing the sale & profitability in the current financial year.

- With a general improvement in the power condition in urban as well as rural sectors and increase in spending on infrastructure development in the coming years, there is always an increase in demand of regular lighting products Apart from this Union Government's Eleventh Plan power generation target will also give boost to the demand of steel poles and towers for increasing efficiency in transmission and cutting down on transmission losses. Keeping in view the growing demands of Energy Saving Lamps and various Governments drive in this direction, we have already started manufacturing of total range of Energy Saving Lamps (CFL) and likely to manufacture High Mast Towers and Octagonal Street Lights and other innovative lamps. Through the well focused vision of the management, company will able to produce land mark results in future.

RISKS AND CONCERNS

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

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

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

INTERNAL CONTROL SYSTEM

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

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

FINANCIAL AND OPERATIONAL PERFORMANCE

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

(Rs. in crores)

Particulars	2008-2009	2007-2008
Profit for the year	51.58	53.08
Less : Depreciation	23.67	25.59
Profit before tax	27.92	27.49
Provision for tax	6.38	7.08
Net Profit after tax	21.54	20.41
Balance brought forward from the previous year	105.37	90.16
Profit available for appropriations	126.91	110.57
Proposed Equity Dividend	3.12	3.90
Tax on Distributed Profits	0.53	0.66
Transferred to General Reserve	1.50	1.50
Deferred Tax revision	-	(0.86)
Balance carried to Balance Sheet	121.76	105.37

During the year the turnover of the Company increased to **Rs.1690.59 crores** from Rs.1485.10 crores last year, registering an increase of 13.84%. However PAT (profit after tax) is **Rs. 21.54 crores** as compared to Rs. 20.41 crores last year registering a growth of 5.54% inspite of deep recession during this period.

INDUSTRIAL RELATIONS AND HUMAN RESOURCE MANAGEMENT

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

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

The Company's industrial relations continued to be harmonious during the year under review. The number of persons directly employed by the Company was 3954 as on 31st March, 2009.

CAUTIONARY STATEMENT

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



SURYA ROSHNI LIMITED

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Sixth Annual Report on the operations of your Company, together with audited accounts for the year ended 31st March, 2009.

1. FINANCIAL RESULTS

(Rs. in crores)

Particulars	2008-2009	2007-2008
Profit for the year	51.58	53.08
Less : Depreciation	23.67	25.59
Profit before tax	27.92	27.49
Provision for tax	6.38	7.08
Net Profit after tax	21.54	20.41
Balance brought forward from the previous year	105.37	90.16
Profit available for appropriations	126.91	110.57
Proposed Equity Dividend	3.12	3.90
Tax on Distributed Profits	0.53	0.66
Transferred to General Reserve	1.50	1.50
Deferred Tax revision	—	(0.86)
Balance carried to Balance Sheet	121.76	105.37

2. DIVIDEND

Your Directors are pleased to recommend the payment of dividend @ Rs.1.20 per share on the paid up equity share capital of Rs.26.00 crores. The dividend on Equity Shares, if approved at the Annual General Meeting, will be payable to those shareholders whose names appear on the company's register of members on 11th September, 2009. In respect of shares held in dematerialised form, the dividend shall be payable on the basis of beneficial ownership as at the end of 7th September, 2009, as per the details furnished by National Securities Depository Ltd./ Central Depository Services (India) Ltd. for the purpose, as on that date.

3. PERFORMANCE DURING THE YEAR UNDER REVIEW

During the year under review, the turnover of your Company increased to **Rs.1690.59 crores** from Rs.1485.10 crores last year, registering an increase of **13.84%**. However PAT (Profit After Tax) is **Rs. 21.54 crores** as compared to Rs. 20.41 crores last year registering a growth of 5.54% inspite of deep recession during this period. The export turnover during the year under review is **Rs.362.66 crores** as against Rs. 219.54 crores in previous year, registering an increase of **65.19%**. The performance of various divisions of your Company is given below:

STEEL DIVISION

During the year under review, the company has commissioned a new Cold Rolling mill with Automatic Gauge Control (AGC) to increase the capacity of Cold Rolling Segment and to improve the quality of CR Product. In the year under review turnover of the division is **Rs. 1226.74 crores** as compared to Rs 1057.67 crores in the last financial year, registering an increase of **15.98%**. The export turnover of the division is **Rs.335.21 crores** in comparison to Rs.195.48 crores in the last financial year, an increase of **71.48%**. The initiative taken to establish the product in global market have shown excellent results in this segment. The Export turnover is likely to further increase during the coming year.

LIGHTING DIVISION

Despite the Global financial Meltdown in the world and tough competition from other established market players and unorganised sectors, the Division has witnessed a steady growth in turnover. During the year under review, the turnover of the division increased to **Rs.463.86 crores** as compared to Rs.427.43 crores last year, an increase of **8.52%**. The export turnover during the year under review is **Rs. 27.46 crores** as against Rs.24.06 crores in previous year, an increase of **14.13%** Strategies are being continuously developed to give greater thrust to the exports.

During the year Company revamped its Luminaire Business Group (LBG) and has made good progress by picking up good orders for Luminaires / HID Lamps & High Masts from Public Sector Undertakings / Public Work Departments and Local bodies as well as from wide spectrum of Industrial & Commercial Luminaire Buyers. Apart from this, Company has installed One CFL Chain with world class technology from GE Europe after which our capacity will increase to 36 million Pieces per annum.

SUBSIDIARY

In order to quickly respond to evolving expansion opportunities and to expand the company's activities, introduction of new products and services, to achieve greater financial flexibility and to enable financial structuring, need was felt to form a subsidiary company. Keeping in line with the same, **Surya Global Steel Tubes Limited** a non-listed Indian Company, has become subsidiary of the company. During the year company has made an investment of Rs. 16,05,50,000 for acquiring 74.33% equity shares in the same.

During the year subsidiary company has purchased land admeasuring 63 acre in the area of Anjar, Bhuj (State of Gujarat) for setting up a unit to manufacture 2 lacs M.T of Spiral welded Steel Pipes at project cost of Rs. 225 Crores (To be completed in two phases) and order for purchase of plant and machinery has already been placed. Financial closure of the project has been made with Punjab National Bank and State Bank of India by sanctioning term loan(s) of Rs. 90 Crores and Rs. 45 Crores respectively. It is expected to start Commercial production by 1st December, 2009.

4. FUTURE PROSPECTS

STEEL DIVISION

In view of thrust of the Government of India on Water, Infrastructure and Export sectors, there is tremendous scope for growth in the Steel Pipe and Cold Rolled Industry. In large Dia Pipe the company has widened its product range as per the requirement of the market. More demand is expected from various Oil and Gas companies for LDP pipes of API standards. In future also there seems to be a tremendous scope for export of ERW Steel Pipes as well as Cold Rolling particularly to U.S.A., Canada and European countries. During this year the Company has also started manufacturing of Square & Rectangle Pipe for which there is huge demand in project segment. In the coming financial year, the company has started a series of Dealers Conference, Retailer Conference, Plumber Conference & Architect / Builder / Consultants Conference along with Press conference & Brand awareness campaign which will increase the demand potential substantially.

One new furnace for hydrogen annealing of capacity of 18000 M.T Per Annum is being put to further improve the quality of the CR product. Further, the Company has decided to install sixth Galvanizing Plant to enhance the capacity of galvanizing by 36000 M.T per annum. Order has already been placed in China for the modernization and up-gradation of existing API Mill to cater the quality requirement of our esteemed customers. All these measures will help in increasing the sale & profitability in the current financial year.

LIGHTING DIVISION

With a general improvement in the power condition in urban as well as rural sectors and increase in spending on infrastructure development in the coming years, there is always an increase in demand of regular lighting products. Apart from this Union Government's Eleventh Plan power generation target will also give boost to the demand of steel poles and towers for increasing efficiency in transmission and cutting down on transmission losses. Well defined strategies are being implemented in order to cater the gradual increase in demand of lighting products and enhance the product share in market and to boost the demand for your Company's products. Keeping in view the growing demands of Energy Saving Lamps and various Governments drive in this direction, we have already made ourselves ready to cater the growing demand in India as well as Global markets. Going forward

SURYA ROSHNI LIMITED



the group will focus on marketing the High Masts Tower and Octagonal Street Light Poles that would be manufacture in House. High Mast towers and Poles are primarily fabricated out of HR coils and galvanized in a zinc bath. Company is putting up a state of the art facility with galvanizing bath 13m long, 2.5m deep and 1.3m wide with installed capacity of 33000MT per year and intends to manufacture 4000 High Masts and 36000 Octagonal poles in the years to come.

With the addition of CFL Chains, the company is capable to manufacture total range of CFLs to meet the growing demand. The total capacity of CFL shall be 36 millions per annum. Beside this, Company is under the process of installing one Korean chain for production of CFL in T3 Type. Through whole hearted efforts and better commitment at all levels, the turnover and profitability of your company during the current year are likely to reflect a considerable growth as compared to those of the year under review.

5. FIXED DEPOSITS

The Public response towards the Company's fixed deposit scheme continued to be encouraging during the year under review. At the close of the year, 55 deposit holders, whose deposits, aggregating to Rs.16.31 lacs, had become due for payment, did not claim or renew their deposits. Since then, deposits aggregating to Rs. 6.01 lacs have either been claimed or renewed. The principal amount and interest were duly paid for all other deposits, which matured during the year.

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

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

7. PARTICULARS OF EMPLOYEES AND DISCLOSURE OF INFORMATION

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

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- 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;
- 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;
- 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 B B Chadha and Smt. Urmil Agarwal, retire by rotation and, being eligible, offer themselves for reappointment.

Change in Directorship

Sh. B D Agarwal has resigned from the post of Managing Director on 21st July, 2008 and resigned from the Board of the Company

on 24th July, 2008. Your Directors placed on records the high sense of appreciation for the hard work, dedication and entrepreneurship by Sh. B. D. Agarwal, as Managing Director during his tenure with the Company due to that the Company attained the excellent position.

During the year under review Sh. S N Bansal, Sh. Arvind Kumar Bansal and Sh. Vineet Kumar Garg were appointed as Whole - time Directors for a period of five years from 31st July, 2008 to 30th July, 2013 and their appointment(s) have been approved by the shareholders in the Annual General Meeting held on 24th September, 2008.

During the Current year, Sh. Rajendra Arya has resigned from the Board w. e. f 12th May, 2009. Your Directors placed on record the high sense of appreciation for the wise counsel and valuable services rendered by him during his tenure on the Board.

During the Current year, Board of Directors of the Company has inducted Shri Ravinder Kumar Narang, Shri Mukesh Tripathi as additional directors of the Company with effect from 18th June, 2009 and Shri Raju Bista, existing executive of the Company as additional director of the Company, with effect from 18th June, 2009 and termed as Whole-time Director of the Company.

Appointment of Shri Ravinder Kumar Narang will strengthen the Board. He has a rich experience of 48 years in the field of Operations, Project Development, Marketing Network and other functional areas. His deep rooted knowledge and experience is vital for the growth and success of the Company.

Appointment of Shri Mukesh Tripathi will further strengthen the Board, as he has an experience of over 10 years in the field of Human Resources Developments, Personality Development, Naturopathy, Meditation, yoga and School Education.

Appointment of Shri Raju Bista will strengthen the Board. He is a man of great nationalistic outlook and has deep rooted desire to develop the youth of the country. His Management and Planning skills are vital for the growth and success of the Company.

During the Current year, Sh. G. S. Gupta has resigned from the Board w. e. f 23rd July, 2009. Your Directors placed on record the high sense of appreciation for the wise counsel and valuable services rendered by him during his tenure on the Board.

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 accounts.

11. COMPLIANCE CERTIFICATE

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

12. ACKNOWLEDGEMENT

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

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

for and on behalf of
the Board of Directors

J. P. AGARWAL
CHAIRMAN AND
MANAGING DIRECTOR

Place : New Delhi
Dated : 23rd July, 2009



SURYA ROSHNI LIMITED

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, 2009.

I. CONSERVATION OF ENERGY

a) Energy conservation measures taken :

At Steel Division, Bahadurgarh :

- One Gas Generator of Capacity One Mega Watt Commissioned for in-house generation to reduce power cost.
- Solid State High Frequency Welder generation are being put to replace conventional (oscillator) tube type Welder and thus not only improve the productivity but also reduce power consumption.
- Natural Gas Connection is enhanced from the present level of 22500 NM3 per day to 30000 NM3 per day.
- AC variable frequency drives on all compressors plus slitting motor instead of manual to reduce power consumption.
- Reviewed the Size of the DC / AC motors as per the required specifications
- Installation of Additional capacitor banks to improve power factor and reduce time
- Reducing the pumping of water circulation and water consumption through regular awareness programmes.

At Malanpur Unit of Lighting Division :

- Additional Water connection was disconnected due to optimum use and control in consumption.
- Replaced Rec. Compressor with Screw Kaeser make compressor.
- Retrofitting of ACB in CD and modification in radiator fan for Gas engine reduces energy consumption.
- Modification in scrapped panel and installation of the same in CFL assembly.
- Replacement of electro mech. Pumps by electronic pumps.

At Kashipur Unit of Lighting Division :

- TL 5th exhaust machine soft water line modified and connected the supply line to lamp plant main soft water supply line.
- NTL/TLD exhaust machine chilling plant stopped during winter season.
- 10 H.P soft water pump was replaced by 5 H.P Pump.

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 :

	Steel Division		Lighting Division	
	2008-2009	2007-2008	2008-2009	2007-2008
A) Power & Fuel Consumption				
1. Electricity				
a) Purchased				
Units (in thousands)	12253.17	9292.58	14412.47	10727.05
Total Amount (Rs. in lacs)	546.43	407.74	582.51	298.27
Rate / Unit (Rs.)	4.46	4.39	4.04	2.78
b) Own Generation				
Through Diesel Generator				
Units (in thousands)	1499.44	1392.82	1631.22	3023.03
Unit per Ltr. Of HSD	3.40	3.12	3.40	3.32
Cost / Unit (Rs.)	10.27	10.49	9.37	8.97
c) Own Generation by				
Natural Gas Generator Set				
Units (in thousands)	11006.11	15653.22	14991.19	14845.21
Unit per SCM3	3.08	2.96	3.80	3.71
Cost / Unit (Rs.)	3.62	2.95	3.19	2.63
2. Furnace Oil/LDO				
Qty. (K.Ltrs.)	24.42	31.20	3351.38	3086.74
Total amount (Rs. in lacs)	4.65	6.87	989.25	738.78
Avg. Rate (Rs.)	19.04	22.02	29.52	23.93
3. RLNG (Natural Gas)				
Qty. SCM3 (in thousands)	4649.30	2626.98	9200.20	10222.92
Total amount (Rs. in lacs)	518.41	229.72	1040.12	984.88
Rate / SCM (Rs.)	11.15	8.74	11.31	9.63