



SURYA ROSHNI LIMITED

Regd. Office : Prakash Nagar, Sankhol, Bahadurgarh - 124507 (Haryana)

Notice is hereby given that the following additional special business is to be transacted in addition to the matters specified at Item No. 1 to 8 in the notice dated 28th May, 2010 of Annual General Meeting of the members of Surya Roshni Limited to be held on Friday, the 24th September, 2010 at 11.00 A.M., at the Registered office of the Company at Prakash Nagar, Sankhol, Bahadurgarh - 124507 (Haryana) :

SPECIAL BUSINESS

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

“RESOLVED THAT in supersession of the resolution passed by the members of the Company in their meeting held on 27th September, 1996, in relation to the exercise of borrowing power, consent of the Company be and is hereby accorded, under the provisions of section 293(1)(d) and Articles of the Company and all other applicable provisions, if any, of the Companies Act, 1956 and subject to compliance with all applicable laws and regulations, to the Board of Directors of the Company (hereinafter referred to as “the Board” which term shall be deemed to include any Committee thereof) to borrow any sum or sums of money in any manner, from time to time, with or without security and upon such terms and conditions as they deem appropriate, notwithstanding that the aggregate of monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained from the Company bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, from time to time, that is to say, reserves not set apart for any specific purpose; Provided however that the total amount up to which monies may be borrowed by the Board (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) shall not exceed at any given point of time the sum of Rs. 2000 Crore (Rupees Two thousand Crore only).”

“RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board be and is hereby authorized to do all such acts, deeds, matters and things as it may deem necessary, desirable or expedient to give effect to this resolution.”

**By order of the Board
for Surya Roshni Ltd.**

Registered Office:

Prakash Nagar, Sankhol,
Bahadurgarh – 124 507 (Haryana)
Dated : 9th August, 2010

**B. B. SINGAL
AVP & COMPANY SECRETARY**

NOTES

1. MEMBERS ARE HEREBY INFORMED THAT ORIGINAL NOTICE DATED 28th MAY, 2010 ISSUED UNDER THE AUTHORITY OF THE BOARD OF DIRECTORS CONTAINS 6 ORDINARY BUSINESS AND 2 SPECIAL BUSINESS . AS BOARD RECOMMENDS TO RAISE THE BORROWING LIMIT OF THE COMPANY FROM THE PRESENT Rs. 1000 CRORE TO Rs. 2000 CRORE IN ITS MEETING HELD ON 9TH AUGUST, 2010. ADDITIONAL NOTICE HAS BEEN ISSUED TO MEMBERS TO TRANSACT 1 MORE SPECIAL BUSINESS IN CONTINUATION OF ORIGINAL BUSINESS ITEM NO. 8 TO APPROVE & RAISE THE BORROWING LIMIT OF THE COMPANY IN SUPERSESSION OF EARLIER RESOLUTION PASSED BY THE MEMBERS IN THE ANNUAL GENERAL MEETING HELD ON 27TH SEPTEMBER, 1996 u/s 293(1)(d) OF THE COMPANIES ACT, 1956 FROM THE PRESENT Rs. 1000 CRORE TO Rs. 2000 CRORE.
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of Additional item no. 9 is annexed hereto.

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

ITEM NO. 9

In the recent past company has widened its range of activities and implementing various projects. In order to meet the future increased requirements of funds , which may arise on account of enlargement of area of operation and further expansion and diversification programmes, it may be necessary to raise further loans from financial institutions, banks and others. Thus the Company proposes to increase the borrowing limits, as stated in the resolution.

As per the provisions of Section 293(1)(d) of the Companies Act, 1956, the Board of Directors cannot, except, with the consent of the company in general meeting , borrow monies , apart from temporary loans obtained from the company's bankers in the ordinary course of business , in excess of the aggregate of its paid – up Share Capital and Free Reserves viz. reserves not set aside for any specific purposes.

The members of the Company vide the Ordinary Resolution passed at the Twenty Third Annual General Meeting of the Company held on 27th September, 1996 have accorded their consent to the Board for borrowing up to the extent of Rs. 1000 Crore (Rupees One thousand Crore). Thus, with a view to meet its increased financial requirements, it is proposed to increase the borrowing limit from the present limit of Rs. 1000 Crore (Rupees One thousand Crore) to Rs. 2000 Crore (Rupees Two thousand Crore only).

With a view to have flexibility, such funds as above would be used for expansion , acquisition, modernization, normal capital expenditure, general corporate purposes and working capital requirements and such other purpose permitted under respective regulations, during the course of the business of the Company.

The Board of Directors recommends the resolution set out in item No. 9 for the approval of the shareholders.

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

**By order of the Board
for Surya Roshni Ltd.**

Registered Office:

Prakash Nagar, Sankhol,
Bahadurgarh – 124 507 (Haryana)
Dated : 9th August, 2010

**B. B. SINGAL
AVP & COMPANY SECRETARY**

BOARD OF DIRECTORS

| | |
|-----------------------|---|
| J. P. Agarwal | Chairman & Managing Director |
| Ravinder Kumar Narang | |
| Urmil Agarwal | |
| K. K. Narula | |
| B. B. Chadha | |
| Aloke Sengupta | IDBI Nominee |
| Shanker Singal | |
| 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 | Dy. Managing Director (Corporate) |

MANAGEMENT EXECUTIVES

| | |
|-------------------------|--|
| V. R. Majumdar | Chief Advisor - LBG |
| Neeraj Kumar Mayson | Executive Director (Steel Division) |
| Utkarsh Dwivedi | Executive Director (Operations & Corporate Mgmt.) |
| Jawahar Lal Aggarwal | Executive Director (Projects) |
| Umesh Bhargava | Group CFO |
| Gulshan Aghi | Executive President & CEO (Luminaire & High Mast) |
| Sanjay Raghunath Shinde | President (International Mktg. - ERW & Spiral Pipe) |
| Anil Kumar Bansal | Sr. Vice President (Commercial) |
| Rajendra Arya | Sr. Vice President (Projects - Steel Division) |
| Amarnath Banerjee | Sr. Vice President - CR Division |
| R. P. Gupta | Sr. Vice President (Project) |
| S. K. Bhasin | Sr. Vice President (Corporate) |
| Sanjay Goel | Sr. Vice President |
| Krishna Raman | Sr. Vice President (Sales & Mktg.) - LBG |
| Chunduri Srinivasa Rao | Sr. Vice President (Projects) |

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
Bank of Baroda
Canara Bank

**REGISTERED OFFICE AND
WORKS-STEEL DIVISION**

Prakash Nagar, Sankhol, Bahadurgarh-124507 (Haryana)
E-mail : surya@suryasteelpipe.com

WORKS-LIGHTING DIVISION

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

HEAD OFFICE

Padma Tower-I, Rajendra Palace,
New Delhi - 110 008
E-mail : surya@sroshni.com

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NOTICE

Notice is hereby given that the Thirty Seventh Annual General Meeting of the members of **SURYA ROSHNI LIMITED** will be held on Friday, the 24th September, 2010 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, 2010.
2. To declare dividend of Rs. 2.00 per share
3. To appoint a Director in place of Shri K K Narula, who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Shri S N Bansal, who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint a Director in place of Shri Arvind Bansal, who retires by rotation and, being eligible, offers himself for re-appointment.
6. To re-appoint the Statutory Auditors and to fix their remuneration and pass the following as Ordinary Resolution:

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

SPECIAL BUSINESS

7. 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 IDBI Bank Ltd. acting for itself and as agent of Banks/Financial Institutions to secure:
 - a) Term Loan of Rs.5000 lac (Rupees Five thousand lac only) lent and advanced by Bank of Baroda (BOB) to the Company.
 - b) Corporate Loan of Rs. 2000 Lac (Rupees Two thousand lac only) lent and advanced by State Bank of Patiala (SBOP) to the Company.
 - c) Term Loan of Rs. 3000 lac (Rupees Three thousand lac only) lent and advanced by State Bank of Travancore (SBOT) to the Company.
 - d) Term Loan of Rs. 2000 lac (Rupees Two thousand lac only) lent and advanced by Canara Bank (CB) to the Company.
 - e) The Working Capital Limits of Rs.40000 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 IDBI Bank Ltd. to the Company. The details are as under;

| S. No. | Consortium Banks | (Rs. In Lac) |
|--------|-----------------------|--------------|
| 1 | State Bank of India | 18400 |
| 2 | Punjab National Bank | 15100 |
| 3 | State Bank of Patiala | 3500 |
| 4 | IDBI Bank Ltd. | 3000 |
| | Total | 40000 |

together with interest thereon at the respective agreed rates, interest tax, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company to State Bank of India, Punjab National Bank, State Bank of Patiala, IDBI Bank Ltd., Bank of Baroda, State Bank of Travancore and Canara 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."

8. To consider and, if thought fit, to pass with or without modification (s), the following resolution as an Ordinary Resolution: **"RESOLVED THAT** pursuant to Section 257 of the Companies Act, 1956, Shri Shanker Singal be and is hereby appointed as Director of the Company and liable to retire by rotation."

By Order of the Board

Registered Office :

Prakash Nagar, Sankhol,
Bahadurgarh - 124 507 (Haryana)
Dated : 28th May, 2010

B. B. SINGAL
ASSOCIATE VICE PRESIDENT
& 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 509, Padma Tower-II, 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, 2010.
2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item no. 7 & 8 is annexed hereto.
3. The Register of Members and Share Transfer books of the Company will remain closed from 07.09.2010 to 10.09.2010 (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. All documents referred to in the Notice or in the accompanying Explanatory Statement are open for inspection to the Members at the registered office of the Company between 11:00 a.m and 1:00 p.m. on all working days upto the date of Annual General Meeting.
6. Pursuant to Section 205A of the Companies Act, 1956, dividend, which remains unpaid or unclaimed for a period of seven years will be transferred to the Investor Education & Protection Fund of the Central Government.

Members who have not encashed their dividend warrant so far for the financial year ended 31st March, 2003, or any subsequent financial year(s) are requested to address their claim to the Associate Vice President & Company Secretary, Surya Roshni Limited, 509, Padma Tower-II, 22, Rajendra Place, New Delhi - 110 008.

7. Information provided as per Clause 49IV(G)(i) of the Listing Agreement.

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

Shri. K.K. Narula, aged about 71 years, has been the director of the Company since, March, 2000. He is the Chairman of the Company's Audit Committee and member of the Committee of Directors, Remuneration and Shareholders / Investors' Grievance Committees. He hold directorship and Chairmanship of Audit Committee of Surya Global Steel Tubes Ltd. Shri Narula is a M.Com. from the University of Delhi and also a Certified Associate of Indian Institute of Bankers (CAIIB). He has a vast experience of over 47 years in the field of Banking and Finance . He retired as Chief General Manager from SBI Chandigarh (LHO) and is currently working as Banking and Management Consultant. Further he is not holding any shares of the Company.

Shri Satya Narain Bansal, aged about 46 years, appointed as a whole -time director and designated as Deputy Managing Director (Finance and Corporate Management) of the Company Industrial Development Bank of India Ltd. He is a director in Surya Global Steel & Genpower Ltd., Surya Global Steel Tubes Ltd., Surya Global Cement Ltd., Surya Roadlinks Ltd., Surya Vijaynagar Steel & Power Ltd., Surya Chhatisgarh Power Ltd., Surya Gujarat Power Ltd., Sri Krishna Capital Services Pvt. Ltd. and Ashutosh Marketing Pvt Ltd. He is also the member of the Audit Committee of Surya Global Steel Tubes Ltd. He is a graduate in Commerce and Fellow Member of the Institute of Chartered Accountants of India. He has a rich experience of over 22 years in the Accounting, Financial management, Taxation and Commercial matters. Further he is holding 70 shares of the Company.

Shri Arvind Kumar Bansal, aged about 34 years, appointed as a whole-time director and designated as Deputy Managing Director (Operations and Corporate Management) of the Company. He holds the directorship in Goel Die Cast Ltd., Surya Manufacturing India Limited, Viksit Trading & Holding Limited, Lustre Merchants Pvt. Ltd., Surya Soft Tech Limited, Surya Global Steel Tubes Ltd., Surya Financial Services Limited, Dicord Commodore Pvt Ltd., Surya Vijaynagar Steel & Power Ltd., Surya Chhatisgarh Power Limited and Surya Gujarat Power Limited. Further he does not hold any committee membership. Shri Bansal is a Bachelor in Commerce and also a Fellow member of the Institute of Chartered Accountants of India. He has a vast experience of over 11 years in the field of Finance, Taxation, Auditing and Commercial matters Further he is not holding any shares of the Company.

Shri Shanker Singal, aged about 54 years, has been appointed as an additional director of the Company on 20th January, 2010. He holds directorship in Indian Promoters Private Limited and is not holding any committee membership. Sh. Singal is a Fellow member of the Institute of Chartered Accountants of India from 1980 onwards and has joined Registrar of Companies in the year 1983 and thereafter resigned as Registrar of Companies Jammu and Kashmir in 1987. Since 1987 he is in his own practice. He has a vast experience of over 30 years in the field of Finance, Taxation, Auditing , Company laws and Commercial matters. Further he is not holding any shares of the Company.

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

ITEM NO. 7

The Company has been sanctioned the Term / Corporate Loan from Bank of Baroda, State Bank of Patiala, State Bank of Travancore, Canara Bank and working capital limits from consortium Banks i.e. State Bank of India, Punjab National Bank State Bank of Patiala and IDBI Bank Ltd. for its Steel and Lighting Divisions. The details are as under:

- a) Term Loan of Rs.5000 lac (Rupees Five thousand lac only) lent and advanced by Bank of Baroda (BOB) to the Company.

- b) Corporate Loan of Rs. 2000 Lac (Rupees Two thousand lac only) lent and advanced by State Bank of Patiala (SBOP) to the Company.
c) Term Loan of Rs. 3000 lac (Rupees Three thousand lac only) lent and advanced by State Bank of Travancore (SBOT) to the Company.
d) Term Loan of Rs. 2000 lac (Rupees Two thousand lac only) lent and advanced by Canara Bank (CB) to the Company.
e) The Working Capital Limits of Rs.40000 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 IDBI Bank Limited to the Company. The details are as under;

| S. No. | Consortium Banks | (Rs. In Lac) |
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| 1 | State Bank of India | 18400 |
| 2 | Punjab National Bank | 15100 |
| 3 | State Bank of Patiala | 3500 |
| 4 | IDBI Bank Ltd. | 3000 |
| | Total | 40000 |

the financial assistance together with interest thereon at the respective agreed rates, interest tax, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company to State Bank of India, Punjab National Bank, State Bank of Patiala, IDBI Bank Ltd. , Bank of Baroda, State Bank of Travancore and Canara 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 shareholders of such Public Company in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking. Since the mortgage by the Company of its immovable and movable properties as aforesaid in favour of the 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. 8

Sh. Shanker Singal was co-opted as an Additional Director of the Company with effect from 20th January, 2010. Pursuant to section 260 of the Companies Act, 1956, and the Article of Association of the Company, Sh. Shanker Singal 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.

Other relevant details regarding sh. Shanker Singal are provided in the Notice.

None of the Directors is concerned or interested in the said resolution except Shri Shanker Singal.

By Order of the Board

Registered Office :

Prakash Nagar, Sankhol,
Bahadurgarh - 124 507 (Haryana)
Dated : 28th May, 2010

B. B. SINGAL
ASSOCIATE VICE PRESIDENT
& COMPANY SECRETARY



MANAGEMENT DISCUSSION AND ANALYSIS

PROFILE

A journey whose path has been set in the year 1973 from a small tube making unit is recognized today by a name SURYA ROSHNI LIMITED both domestically and globally. It took 37 years of utmost dedication, commitment and deep faith that Surya emerged as a vast conglomerate in lighting and Steel Tube Division. Indeed it is a glorious achievement that today we have the largest ERP 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 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. Our Lighting sector is dedicated in introducing innovative end-user-driven and energy-efficient solutions and applications for lighting, based on a thorough understanding of the customer needs. 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. Company, has also obtained FIVE STAR Rating for Fluorescent Tube Lamps from Bureau of Energy Efficiency, India.

Your company continues to be committed towards making best of quality products at the affordable price through 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, we will generate value for our capabilities beyond Indian borders and enable millions of India's knowledge workers to deliver their services, for making Surya 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 remarkable 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 already started manufacturing complete range of Energy Saving Lamps (CFL) and during the year under review, company has undertaken and completed substantial expansion in its Kashipur unit by setting up FTL, CFL, PCB, HID and PVC plants in the said expansion. Further during the year, Malanpur unit has installed one CFL Line to produce T-3 Type Compact Fluorescent Lamps with capacity of 6 million pieces per annum. It also started PCB production for CFL lamps with SMT / Auto Insertion Technology.

Company shall be focusing primarily on the manufacture of High Mast Towers and Octagonal Street Light and other innovative lamps. During the year under review, ERW unit of High Mast Division with a Capital and with a installed capacity of 25000 MT per annum has started

commercial production. The Luminaire Business Group (LBG) of the company has made good progress in the recent times by picking good orders for Luminaires / HID Lamps & High Masts from established Public Sector Undertakings / Public Work Departments & local bodies as well as from a wide spectrum of Industrial & Commercial Luminaire Buyers.

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. One new furnace for hydrogen annealing has been put to further improve the quality of the Cold Rolled product. The Company has installed sixth Galvanizing Plant to enhance the capacity of galvanizing by 40000 M.T per annum. In pipe mill company have installed a Solid State Welder and Hydro testing Machine. To cater the power need of the plant, one out of the two 1.75 MW Gas Gen Set has been installed, which has improved company's in house generation of power. 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.
- Liberalization at geographical markets

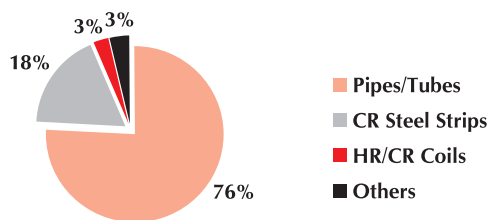
Threats :

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

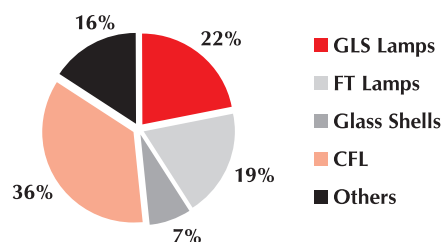
SEGMENT-WISE PERFORMANCE

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:

Steel Division



Lighting Division



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. In cold Rolling Mill Company, have plans to modernize skin pass mill no.3 to double the output and to take care of the inventory in process. Company is planning to install a high capacity slitter to take care of market needs. The government spending on infrastructure development is also expected to increase the demand of pipes every year. With the easy availability of finance and tax incentives, it is expected that housing sector will get a major boost. In view of the same, the long term outlook of the Company remains positive. 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. Keeping in view the company undertakes substantial expansion of its Kashipur Unit by setting up FTL, CFL, PCB, HID and PVC plants. Apart from saving operating and administrative cost, the new products will also be exempt from the whole duty of excise or additional duty of excise for a period of 10 years from the date of eligibility of excise exemption of the same. The whole Kashipur unit will also be eligible to get tax exemption benefits in accordance with the provisions of Section 80-IC of the Income Tax Act, 1961. Full year benefit will be reflected during the current year in terms of profitability and growth.

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. The High Mast Project of the Company with a planned installed capacity of 75000 MT per annum ERW pipes and 11000 MT per annum High Mast / Poles will be fully commissioned to its total installed capacity by 15th JULY 2010.

Keeping the growing demands of Energy Saving Lamps and various Governments drive in this direction, we have already manufacturing total range of Energy Saving Lamps(CFL) and the Luminaire Business Group (LBG) of the company is moving beyond just "Me - too" towards an exclusive range of products :

- LED - Down Lighters / Street Lights
- Induction - Commercial / Industrial Luminaires Lamps
- Solar Street Lights
- Outdoor Designer Range - High end Street / Flood Lights

Further, company is in the process of setting - up a modern, world class, in house Research & Development Centre in Noida for carrying out research and development in the field of energy efficient Light Sources and Luminaires and its applications including LED Lighting System.

Through the well focused vision of the management, company will be able to produce land mark results.

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 | 2009-2010 | 2008-2009 |
|--|---------------|---------------|
| Profit for the year | 80.85 | 51.58 |
| Less : Depreciation | 27.09 | 23.67 |
| Profit before tax | 53.76 | 27.92 |
| Provision for tax | 8.59 | 6.38 |
| Net Profit after tax | 45.17 | 21.54 |
| Balance brought forward from the previous year | 121.76 | 105.37 |
| Profit available for appropriations | 166.93 | 126.91 |
| Proposed Equity Dividend | 5.57 | 3.12 |
| Tax on Distributed Profits | 0.92 | 0.53 |
| Transferred to General Reserve | 6.00 | 1.50 |
| Balance carried to Balance Sheet | 154.44 | 121.76 |

During the year the turnover of the Company increased to **Rs.1938.93 crores** from Rs.1690.59 crores last year, registering an increase of **14.69%**. The Profit After Tax is increased to **Rs. 45.17 crores** as compared to Rs. 21.54 crores last year registering a remarkable growth of **109.70%** 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 4438 as on 31st March, 2010.

CAUTIONARY STATEMENT

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

DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Thirty Seventh Annual Report on the operations of your Company, together with audited accounts for the year ended 31st March, 2010.

1. FINANCIAL RESULTS (Rs. in crores)

| Particulars | 2009-2010 | 2008-2009 |
|--|---------------|---------------|
| Profit for the year | 80.85 | 51.58 |
| Less : Depreciation | 27.09 | 23.67 |
| Profit before tax | 53.76 | 27.92 |
| Provision for tax | 8.59 | 6.38 |
| Net Profit after tax | 45.17 | 21.54 |
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| Tax on Distributed Profits | 0.92 | 0.53 |
| Transferred to General Reserve | 6.00 | 1.50 |
| Balance carried to Balance Sheet | 154.44 | 121.76 |

2. DIVIDEND

Your Directors are pleased to recommend the payment of dividend @ Rs.2.00 per share on the paid up equity share capital of Rs.27.83 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 10th September, 2010. In respect of shares held in dematerialised form, the dividend shall be payable on the basis of beneficial ownership as at the end of 6th September, 2010, 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.1938.93 crores from Rs.1690.59 crores last year, registering an increase of **14.69 %**. The Profit After Tax is increased to Rs. **45.17** crores as compared to Rs. 21.54 crores last year registering a growth of **109.70%** during this period. The export turnover during the year under review is Rs.**245.45** crores as compared to Rs. 362.66 crores in previous year. The performance of various divisions of your Company is given below:

STEEL DIVISION

During the year under review, the division has achieved a **23.42%** remarkable growth in volume terms despite the low average raw material prices in comparison to last year. The turnover of the division is Rs. **1337.44** crores as compared to Rs 1226.74 crores in the last financial year, registering an increase of **9.02%**. The export turnover of the division is Rs.**217.72** crores in comparison to Rs.335.21 crores in the last financial year. During the last financial year, the company has started a series of Dealer, Retailer, Plumber & Architect / Builder / Consultants Conferences along with Press conferences & Brand awareness campaigns which has increased the demand potential substantially.

During the year under review the company has commissioned one hydrogen annealing plant which has improved the quality of cold rolled product. The Company have also commissioned sixth galvanizing plant which has increased the capacity by 40000 MT per year. Solid State Welder and Hydro testing Machine have been installed in Pipe Mill. To cater the power need of the plant, company has ordered two 1.75 MW Gas Gen Set and out of which

one Gas Gen Set of 1.75MW has been installed during the year which has improved In-house generation of power. The Gas Gen Set will contribute for emission reduction and the emission reduction are used to meet the compliance requirement of the developed countries under CDM.

LIGHTING DIVISION

Despite tough competition from other established market players and unorganised sectors, the Division has witnessed a remarkable growth in turnover. During the year under review, the turnover of the division increased to Rs.**601.41** crores as compared to Rs.463.86 crores last year, an increase of **29.65 %**. However, the export turnover during the year under review is Rs. **27.73** crores as against Rs.27.46 crores in previous year. Strategies are being continuously developed to give greater thrust to the exports.

During the year, Company has undertaken and completed substantial expansion in its Kashipur unit and the same has been inaugurated by Honorable Chief Minister of Uttarakhand on 25th March, 2010. Unit has set up new production facilities for manufacturing of FTL, CFL, PCB, HID, and PVC products in the said expansion. Apart from saving operating and administrative cost, the new products will also be exempt from the whole duty of excise or additional duty of excise for a period of 10 years from the date of eligibility of excise exemption of the same. The whole Kashipur unit will also be eligible to get tax exemption benefits in accordance with the provisions of section 80-IC of the Income-Tax Act, 1961.

During the year, Malanpur Unit has installed one CFL Line to produce T-3 Type Compact Fluorescent Lamps with capacity of 6 million pieces per annum .Unit added capacity in Cap Plant by installing new Furnace and adding one vitriting and one pinning machine. It also started PCB Production for CFL lamps with SMT/ Auto Insertion Technology.

During the year under review, ERW unit of High Mast Division with a installed capacity of 25000 MT per annum has started commercial production.

SUBSIDIARY

Company has a non-listed Indian Subsidiary Company named as Surya Global Steel Tubes Limited and as on 31st March, 2010, the company had a total investment of Rs. 50,00,00,000 with 53.73% equity shares in the same.

The Subsidiary Company has started its commercial production of spiral pipe project with capacity of 60000 MT in January, 2010 at Anjar, Bhuj (State of Gujarat). Subsidiary Company has proposed to set up a new project for production of API grade ERW Pipe at Bhuj.

The Subsidiary has changed its financial year and closed their Accounts on 30th September, 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 Cold Rolling Mill, company has plans to modernize skin pass mill no. 3 which will double the output and take care of the Inventory in process. Company is also planning to install a high capacity slitter to take care of the market needs.

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.

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 planned 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.

During the current year Malanpur Unit is in process of installing one more danner line for production of tabular glass shells. Through whole hearted efforts and better commitment at all levels, the turnover of the unit during the current year are likely to reflect a considerable growth as compared to those of the year under review. During the year under review, company completed substantial expansion in Kashipur Unit by setting up FTL,CFL,PCB,HID and PVC plants. Full year benefits will be reflected during the current year in terms of profitability and growth.

LUMINAIRE BUSINESS GROUP

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

- T5-24W High Bays / PDC IP 65 for 250 W / PDC or GDC IP 66 for 70 to 400 - Top opening
- Prismatic High Bays
- Bollards & Post Tops
- Co Extruded Box series
- Wing C equivalent or better aesthetics
- DGMS range of flood lights & Street Lights
- Integrated version of 2 x 400 W Floodlights
- T5 Retrofit product
- PIA lamps in SON series
- MV based Control gear for MH applications
- Flame Proof

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

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

Luminaire Business Group will revamp and expand its Dealer Network Range from a current level of 275 dealers to 500 active dealers during the first half of this year. Various marketing initiative will be taken to further enhance the growth of this segment.

RESEARCH AND DEVELOPMENT CENTRE

Your Company is in the process of setting-up a modern, world-class, in-house Research & Development centre in Noida for carrying out research & development in the field of energy efficient Light Sources and Luminaires & its application including LED Lighting System. It also involves R&D on optical design, lighting electronics and Application Software. Principle R&D equipment being Mirror Gonio Photometer under import from LMT, Berlin. This is for spatial-photometry of LEDs and luminaires as also for

accurate, absolute luminous flux measurement of lamps & LED lighting System.

HIGH MAST DIVISION

The High Mast project is planned to have installed capacity of 75000 MT per annum ERW pipes and 11000 MT per annum High Mast / Poles on a land admeasuring 51 Acres acquired in Malanpur Industrial Area. The said project is expected to be fully commissioned to its total capacity by July, 2010. Some of the salient features are :-

- The civil construction work of the Boundary wall, ERW, Power House, Pipe Galvanizing, Water Tanks, Gate Office, and Weigh Bridge has been completed and the balance building is progressing fast and is expected to complete by July 2010.
- One ERW Pipe manufacturing line for production of pipes from ½ inch to 2 inches is commissioned and first commercial dispatch of Black ERW pipes was done.
- The Erection of Small Galvanizing plant for Pipes is under progress and the plant is expected to be commissioned by the end of May 2010. The installed capacity of this Galvanizing Plant would be 2500 MT per month.
- The Commissioning of High Mast Fabrication machines is expected to be completed by the end of June 2010 and the Galvanizing for High Mast with an installed capacity of 5000 MT per month is expected to be commissioned by 15th July 2010. After commissioning of this Galvanizing Plant the capacity of Galvanized ERW pipes would be augmented to 7000 MT per month.

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, 71 deposit holders, whose deposits, aggregating to Rs.36.30 lacs, had become due for payment, did not claim or renew their deposits. Since then, deposits aggregating to Rs. 23.36 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 along with information in accordance with provision of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, are given as Annexure 'A' to the Directors' Report.

7. PARTICULARS OF EMPLOYEES AND DISCLOSURE OF INFORMATION

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

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors of the Company confirms:

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