

**BOARD OF DIRECTORS**

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

V.P & 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

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

REGISTERED OFFICE AND WORKS-STEEL DIVISION

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

WORKS - STEEL DIVISION (MALANPUR)

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

WORKS - LIGHTING DIVISION

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

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

HEAD OFFICE

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

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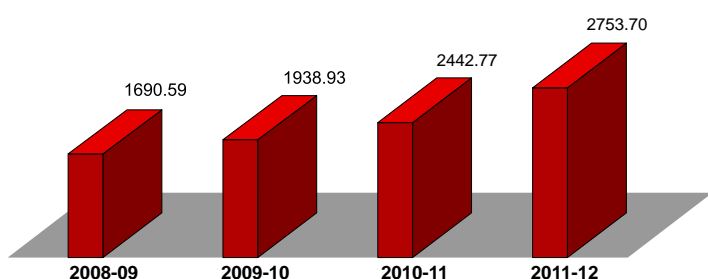
Audited Financial Results

(Rs. in Crores)

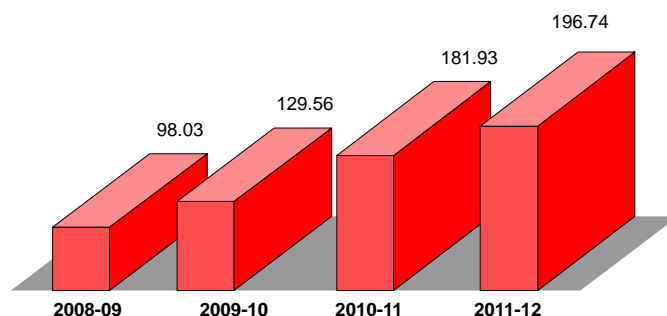
Year March Ending	2008-09	2009-10	2010-11	2011-12
Turnover	1690.59	1938.93	2442.77	2753.70
Profit Before Finance Cost, Depreciation & Tax	98.03	129.56	181.93	196.74
Profit Before Depreciation & Tax	51.58	80.85	121.39	102.92
Profit Before Tax	27.92	53.76	70.15	55.61
Profit After Tax	21.54	45.17	66.74	51.98
Dividend (%)	12.00	20.00	15.00	-
Net Worth				
Share Capital	28.43	37.00	59.02	59.02
Reserves	172.44	220.04	572.53*	624.46*
Total	200.87	257.04	631.55	683.48
Gross Fixed Assets	693.09	877.29	1220.72*	1317.90*

*It includes Rs. 185.17 Crores on revaluation of fixed assets made during the year 2010-11.

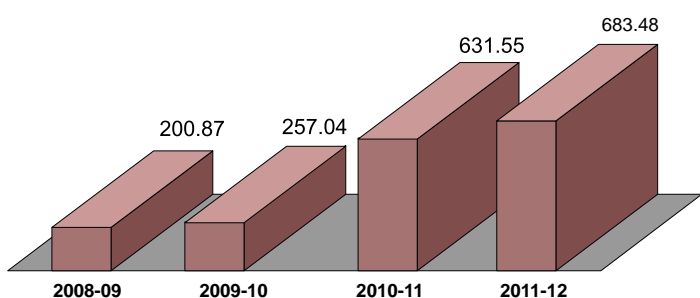
TURNOVER
(Rs. in Crores)



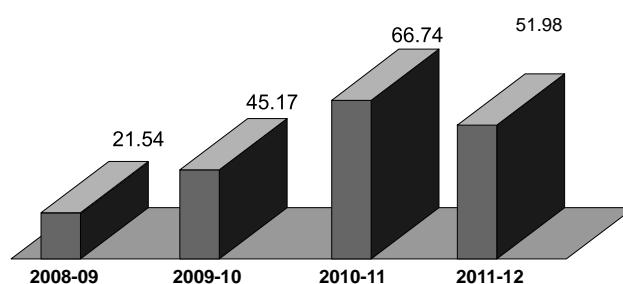
EBITDA
(Rs. in Crores)



NET WORTH
(Rs. in Crores)



PROFIT AFTER TAX
(Rs. in Crores)



**NOTICE**

Notice is hereby given that the Thirty Ninth Annual General Meeting of the members of SURYA ROSHNI LIMITED will be held on Friday, the 28th September, 2012 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, 2012.
2. To appoint a Director in place of Shri Ravinder Kumar Narang, who retires by rotation and, being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Shri Raju Bista, who retires by rotation and, being eligible, offers himself for re-appointment.
4. 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

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

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

- a) Term Loan of Rs. 3000 lac (Rupees Three thousand lac only) lent and advanced by The South Indian Bank Limited (TSIBL) to the Company.
- b) Term Loan of Rs. 2625 lac (Rupees Two thousand six hundred twenty five lac only) lent and advanced by State Bank of India (SBI) to the Company.
- c) Bill Discounting Limit of Rs. 2000 lac (Rupees Two thousand lac only) lent and advanced by Small Industries Development Bank of India (SIDBI) to the Company.
- d) The Working Capital Limits of Rs. 86169 lac, secured on Second Charge basis, lent and advanced/agreed to be lent and advanced by State Bank of India, Punjab National Bank, State Bank of Patiala IDBI Bank Ltd., State Bank of Travancore, ICICI Bank Limited and Standard Chartered Bank to the Company. The details are as under;

S. No.	Consortium Banks	(Rs. In Lac)
1	State Bank of India	35369
2	Punjab National Bank	26000
3	State Bank of Patiala	6000
4	IDBI Bank Ltd.	5500
5	State Bank of Travancore	3000
6	ICICI Bank Ltd.	6000
7	Standard Chartered Bank	4300
	TOTAL	86169

together with interest thereon at the respective agreed rates, interest tax, compound interest, additional interest, liquidated damages, commitment charges, premia on prepayment or on redemption, costs, charges, expenses and other monies payable by the Company to State Bank of India, Punjab National Bank, State Bank of Patiala, IDBI Bank Ltd., State Bank of Travancore, ICICI Bank Limited, Standard Chartered Bank, The South Indian Bank Limited and Small Industries Development Bank of India under Loan Agreements entered into/to be entered into by the Company in respect of the aforesaid loans.

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

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

"RESOLVED THAT pursuant to provisions of Section 198, 269, 309, 317 and Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956, (the Act) including any statutory modification or any amendment or any substitution or reenactment thereof for the time being in force, approval of the members of the Company be and is hereby accorded to the reappointment of, including remuneration, perquisites, benefits and amenities payable to Shri Jai Prakash Agarwal as the Managing Director of the Company for a period of five years commencing from 1st January, 2012 to 31st December, 2016, as set out in the Agreement executed between the Company and Shri Jai Prakash Agarwal, the main terms of which are set out in this notice, which agreement is hereby specifically approved with authority to the Board of Directors of the Company to alter and / or vary the terms and conditions of the said re-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 Jai Prakash Agarwal 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 authorised to enhance, enlarge, alter or vary the scope and quantum of remuneration, perquisites, benefits and amenities payable to Shri Jai Prakash Agarwal in the light of the further progress of the Company which revision should be in conformity with any amendments to the relevant provisions of the Act and / or the rules and regulations made there under and / or such guidelines as may announced by the Central Government from time to time."

By order of the Board

Registered Office:
Prakash Nagar, Sankhol,
Bahadurgarh – 124 507 (Haryana)
Dated : 28th May, 2012

B. B. SINGAL
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 2nd floor, Padma Tower-I, 5 Rajendra Place, New Delhi – 110 008 or Registered Office, not less than forty-eight hours before the commencement of this Annual General Meeting i.e. before 11.00 a.m. on 26th September, 2012.

2. Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956, in respect of item no. 5 & 6 is annexed hereto.
3. The Register of Members and Share Transfer books of the Company will remain closed from 04.09.2012 to 07.09.2012 (both days inclusive).
4. Members are requested to forward their change of address notifications, Bank Account details including 9 digit MICR number appearing on the cheque pertaining to the respective bank account to



facilitate distribution of dividend through Electronic Clearing Service (ECS) to the Company / Registrar and Transfer Agent – Mas Services Ltd., T- 34, 2nd floor, Okhla Industrial Area, Phase II, New Delhi – 110 020, in respect of Shares held in physical form and to their respective Depository Participants if the shares are held in electronic form.

5. Relevant documents referred to in the Notice or in the accompanying Explanatory Statement are open for inspection to the Members at the registered office of the Company between 11:00 a.m and 1:00 p.m. on all working days upto the date of Annual General Meeting.
6. Pursuant to Section 205A of the Companies Act, 1956, dividend, which remains unpaid or unclaimed for a period of seven years will be transferred to the Investor Education & Protection Fund of the Central Government.

Members who have not encashed their dividend warrant so far for the financial year ended 31st March, 2005, or any subsequent financial year(s) are requested to address their claim to the Vice President & Company Secretary, Surya Roshni Ltd., 2nd floor, Padma Tower-I, 5 Rajendra Place, New Delhi - 110 008.

7. Pursuant to Clause 5A of the Listing Agreement with the Stock Exchanges, after final notice have been issued by MAS Services Limited (Registrar & Transfer Agent) in respect of unclaimed equity shares to 163 shareholders comprising 11873 equity shares asking for the correct particulars, no response was received from 151 shareholders comprising 10944 equity shares and thus the said unclaimed equity shares (10944 equity shares) have been transferred by credited to a demat suspense Account title “Surya Roshni Limited – Unclaimed Suspense Account” with National Securities Depository Limited (NSDL).

Members who have not claimed their shares to whom notices have been served in regard to unclaimed equity shares are requested to address their claim with supporting documents to Registrar & Transfer Agent - Mas Services Limited (Unit Surya Roshni Limited) T-34, 2nd floor, Okhla Industrial Area, Phase II, New Delhi – 110 020 or to the Company at 2nd floor, Padma Tower-I, 5 Rajendra Place, New Delhi - 110 008.

8. In compliance to Section 53 of the Companies Act, 1956 & listing Agreement Clauses, Ministry of Corporate Affairs vide their circular No. 17/2011 dated 21st April, 2011 permits service of documents by electronic mode to members / shareholders. Members wish to avail this service register their e-mail address with the Company by sending a consent letter to VP & Company Secretary, Padma Tower – 1, 2nd floor, 5 Rajendra Place, New Delhi – 110008 / Registrar and Transfer Agent – Mas Services Limited, T-34, 2nd floor, Okhla Industrial Area, Phase – II, New Delhi -110020

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

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

Shri Ravinder Kumar Narang, aged about 73 years, has been a director of the Company since June, 2009. He is also a member in Remuneration Committee of the company. He holds directorship in Surya Global Steel Tubes 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 51 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 Raju Bista, aged about 26 years, appointed as a whole –time director and designated as Deputy Managing Director of the

Company. He holds the directorship in Surya Global Steel Tubes Ltd., Surya Vijaynagar Steel & Power Limited, Surya Vijaynagar Cement Limited, Surya Chhatisgarh Power Limited, Surya Chhatisgarh Steel & Power Limited, Surya Shimoga Lighting Limited, Surya Shimoga Steel Pipes Limited, Clitoria Vanijya Private Limited, Brightstar Vintrade Pvt. Limited, Equal Vinimay private Limited, Seabird Tracom private Limited and Netra Agency Private 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. 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

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

ITEM NO. 5

The Company has been sanctioned the Term Loan / Bill discounting limit from State Bank of India, The South Indian Bank Limited, Small Industries Development Bank of India and working capital limits from consortium Banks i.e. State Bank of India, Punjab National Bank, State Bank of Patiala, IDBI Bank Ltd., State Bank of Travancore, ICICI Bank Limited and Standard Chartered Bank for its Steel and Lighting Divisions. The details are as under:

- a) Term Loan of Rs 3000 lac (Rupees Three thousand lac only) lent and advanced by The South Indian Bank Limited (TSIBL) to the Company.
- b) Term Loan of Rs 2625 lac (Rupees Two thousand six hundred twenty five lac only) lent and advanced by State Bank of India (SBI) to the Company.
- c) Bill Discounting Limit of Rs 2000 lac (Rupees Two thousand lac only) lent and advanced by Small Industries Development Bank of India (SIDBI) to the Company.
- d) The Working Capital Limits of Rs. 86169 lac, secured on Second Charge basis, lent and advanced/agreed to be lent and advanced by State Bank of India, Punjab National Bank, State Bank of Patiala IDBI Bank Ltd., State Bank of Travancore, ICICI Bank Limited and Standard Chartered Bank to the Company. The details are as under;

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4	IDBI Bank Ltd.	5500
5	State Bank of Travancore	3000
6	ICICI Bank Ltd.	6000
7	Standard Chartered Bank	4300
	TOTAL	86169

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

Section 293(1)(a) of the Companies Act, 1956, provides inter alia that the Board of Directors of a Public Company shall not, without the consent of shareholders of such Public Company in General Meeting, sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company, or where the Company owns more than one undertaking, of the whole or substantially 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. 06

The Shareholders of the Company at the Annual General Meeting held on 28-09-2006 had re-appointed Shri Jai Prakash Agarwal as a Joint Managing Director for a period of five years from 01-01-2007 to 31-12-2011. On 31-07-2008 Board of Directors has unanimously designated Sh. Jai Prakash Agarwal as Managing Director of the company. The Shareholders are aware that since Shri Jai Prakash Agarwal assumed the office of Managing Director of the Company, the Company has made all-round progress. The Company rather owes its present stature and position to his guidance and foresight. His unshakable determination along with a vast experience has helped the Company scale new heights year after the other. Under the management control and guidance of Shri Jai Prakash Agarwal, Managing Director, the Company has consistently maintained its sales and profitability.

The Board of Directors of the Company, in their meeting held on 11th November, 2011 approved the re-appointment of Shri Jai Prakash Agarwal, as Managing Director for a period of five years w.e.f. 1st January, 2012 on the following remuneration and terms and conditions, subject to the approval of the Members, and other concerned authority, if necessary.

- SALARY** : Salary of Rs.8,50,000/- per month in the Grade of 8,50,000-1,00,000-12,50,000.
- COMMISSION** : 1% Commission of the net profit of the company computed in the manner laid down in section 309(5) of the Companies Act, 1956 subject to a maximum of 50% of the annual salary.
- PERQUISITES** : Perquisites will be allowed in addition to salary and commission restricted to an amount equal to the Annual Salary. For this purpose unless the context otherwise requires, perquisites are classified into three categories : Parts A, B and C and the ceiling shall apply only to Part-A.

PART-A

- 1. HOUSING** : I. The expenditure by the Company on hiring unfurnished accommodation for the Managing Director shall be subject to the following ceilings:
- 60% of the Salary, over and above 10% payable by the Managing Director himself.
- II. In case the accommodation provided to the Managing Director is owned by the Company, the Company shall deduct 10% of the salary of the Managing Director.
- III. In case no accommodation is provided by the Company to the Managing Director, House Rent Allowance shall be paid by the Company to him subject to the ceiling laid down in Housing I, herein above.
- IV. The Expenditure incurred by the Company on gas, electricity, water and furnishings shall be valued as per the Income Tax Rule, 1962. This shall, however, be subject to a ceiling of 10% of the salary of the Managing Director.

- 2. Medical Reimbursement** : Expenses incurred for self and family subject to a ceiling of one month's salary per year or three month's salary in a period of three years.

- 3. Leave Travel Concession** : For self and family once in a year incurred with the rules specified by the Company.

- 4. Club Fees** : Fees of clubs subject to a maximum of two clubs. Admission and life membership fees shall not be allowed.

- 5. Personal Accident Insurance** : Premium not to exceed Rs.4000/- per annum.

PART-B

Contribution to provident fund, Superannuation fund or annuity fund will not be included in the computation of the ceiling on perquisites to the extent these either singly or put together are not taxable under the Income Tax Act. Gratuity payable shall not exceed a half month's salary for each completed year of service.

PART-C

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

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

If the Company has no profits or the profits are inadequate in any financial year during the terms of his office as the Managing Director, Sh. Jai Prakash Agarwal 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.

Apart from the aforesaid remuneration, Shri Jai Prakash Agarwal will be entitled to reimbursement of expenses incurred in connection with the business of the Company.

No sitting fees will be paid to him for attending the meetings of the Board of Directors of the Company or Committees thereof.

However, the Managing Director Sh. Jai Prakash Agarwal wish continue to draw Basic Salary of Rs. 100/- per month w.e.f 1st January, 2012 instead of Rs. 8,50,000 as entitled., till the company will able to utilize all its capacities & achieved the desired level. The Board of Directors appreciate the move of Managing Director once again and thus approved him (Jai Prakash Agarwal) to draw voluntarily basic salary of Rs. 100/- per month w.e.f. 01-01-2012 till he desires during his current tenure. The rest clauses of the Agreement dated 11-11-2011 will be remain same and effective.

Copy of the Agreement dated 11th November, 2011 executed between the Company and Shri Jai Prakash Agarwal 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 except Shri Jai Prakash Agarwal are interested in the above said resolution.

By Order of the Board

Registered Office:
Prakash Nagar, Sankhol
Bahadurgarh – 124 507(Haryana)
Dated: 28th May, 2012

B. B. SINGAL
Vice President & Company Secretary



MANAGEMENT DISCUSSION AND ANALYSIS

WE the SURYA

Surya Roshni Limited is a 38 years old Conglomerate with diverse businesses with units in different states. The range of business cover a wide spectrum of Lighting, Steel tubes and pipes, Cold Rolled Strips, High masts and PVC tubes. These are linked by a common philosophy of commitment to people, transparency in dealings and high quality standards.

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

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

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

INDUSTRY STRUCTURE, DEVELOPMENT & OUTLOOK

Outlook for steel pipes

India has become the global pipe manufacturing hub primarily due to the benefits of its lower cost, high quality and geographical advantages. The global accreditations and certifications that the Indian companies possess have made them preferred suppliers for many leading oil and gas companies in the world and particularly those in Middle East, North America and Europe. Since the global economy returned to sustained growth, the domestic pipe industry is expected to accelerate into high

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

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

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

The transportation and distribution of gas widely used for domestic and commercial purposes have undergone a sea change with the gas and oil being conveyed through steel pipe lines over long distances. The surging demand based on several ongoing natural gas pipeline projects in India will surely boost the demand for steel pipes.

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

Outlook for lighting industry

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

Surya Roshni brings brightness to many homes every evening in over 48 countries across the globe. Surya Roshni is one among the large producers in the field of light source and its components in India and has played the role of a technology leader by establishing new benchmarks for the industry. As a leader in the area of lighting equipments, Surya Roshni has been providing innovative and safe lighting equipments to its customers. Its wide range of world class energy efficient lamps, T5 lamps, Fluorescent lamps, high pressure sodium and mercury lamps, metal halides lamps to name a few are manufactured at state-of-the-art units with top of the line machinery and equipments (from FALMA-Montena S.A.,



Switzerland, DEMA engineering UK.GE-Hungary) to benchmarked processes and practices. Surya Roshni has instituted a culture of continuous quality upgradation and a strong system to ensure that the quality meets international benchmark.

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

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

Surya Roshni has set-up state-of-the-art lighting laboratory in NOIDA that is one of the best lighting laboratories in Asia. It has house the Mirror Gonio-photometer from LMT-Germany and is used for developing new generation energy saving luminaires. In addition to this, Surya will provide Photometric Optical Testing facility for all kinds of luminaires.

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

Strengths, Weakness, Opportunities and Threats

Strengths

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

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

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

Weakness

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

Opportunities

Globally, Pipes are the most economical way to transport

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

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

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

Threats

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

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

FINANCIAL & OPERATIONAL PERFORMANCE

The Company was able to maintain itself as a leader in the Steel Tubes industry and as a strong contender in the Lighting industry. Given below are the financials of the

(Rs. in Crores)

Particulars	F.Y. 2011-2012	F.Y. 2010-2011
Revenue from Operations	2554.44	2216.81
Profit before Finance Cost, Depreciation & Taxation	196.74	181.93
Finance Cost	93.82	60.54
Depreciation & Amortisation Expense	47.31	51.24
Profit before tax (PBT)	55.61	70.15
Tax Expense	3.63	3.42
Profit after taxation (PAT)	51.98	66.73
Proposed Equity Dividend	Nil	6.57
Tax on Distributed Profits	Nil	1.06
Transferred to General Reserve	7.00	7.00



During the year the revenue from operations of the Company increased to Rs. 2554.44 crores from Rs.2216.81 crores last year, registering an increase of 15.23%. However, Profit After Tax stood at Rs. 51.98 crores as compared to Rs. 66.73 crores last year during this period.

Risk & Concerns

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

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

Risk Management Policy

Company undertakes Derivative/ Treasury Transactions with Banks as permitted by the Reserve Bank of India within the framework of the approved Risk Management Policy of the Company with a view to mitigate the underlying risk exposure or to hedge the risk pertaining to the loans/facilities obtained from various banks or Exports or Imports carried out/to be carried out or any other forex / rupee exposures in connection with the business of the Company.

Internal Control Systems

SURYA has a proper and adequate system of internal control commensurate with the size and nature of business. The internal control system is an integral component of the the company's corporate governance. The company has in place a strong and independent Internal Audit Department responsible for assessing and improving the effectiveness of internal control and governance. Internal Audit focuses on operational as well as systems audit.

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

has well defined Management Information System with clear Organizational Structures and authorization levels for business transactions.

Material Developments in Human Resources/ Industrial Relations

Surya is committed to create an open and transparent organization that is focused on people and their capability, and fostering an environment that enables them to deliver superior performance. Attracting quality human resources and focusing on their development, motivation and retention has always been a priority area for Surya.

The Management wishes to place on record, the excellent cooperation and contribution made by the employees, collectively called "SURYA PARIVAR", at all levels of the organization to the continued growth of the company. The Company's industrial relations continued to be harmonious during the year under review. The Number of personnel directly employed by the company was 3643 as on 31st March, 2012.

Corporate Social Responsibility

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

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

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

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

Cautionary Statement

This report contains forward-looking statements about the business, financial performance, skills and prospects of the Company. Statements about the plans, intentions, expectations, beliefs, estimates, predictions or similar expressions for future are forward-looking statements.

Forward-looking statements should be viewed in the context of many risk issues and events that could cause the actual performance to be different from that contemplated in the Directors' Report and Management Discussions and Analysis Report, including but not limited to, the impact of changes in oil, steel prices world wide, technological obsolescence and domestic, economic and political conditions. We can not assure that outcome of this onward looking statements will be realized. The Company disclaims any duty to update the information given in the aforesaid reports.

**DIRECTORS' REPORT**

Dear Members,

Your Directors present the Thirty Ninth Annual Report of Financial Accounts for the year ended 31st March, 2012.

1. FINANCIAL PERFORMANCE

(Rs. in Crores)

Particulars	F.Y. 2011-2012	F.Y. 2010-2011
Revenue from Operations	2554.44	2216.81
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Profit after taxation (PAT)	51.98	66.73
Proposed Equity Dividend	Nil	6.57
Tax on Distributed Profits	Nil	1.06
Transferred to General Reserve	7.00	7.00

In the fiscal year under review, the revenue from operations of your Company increased to Rs.2554.44 crores from Rs.2216.81 crores last year, registering an increase of 15.23%. Profit After Tax is Rs. 51.98 crores as compared to Rs. 66.73 crores last year during this period.

STEEL DIVISION

During the year under review, the revenue from operations of the division is Rs. 1784.60 crores as compared to Rs 1494.69 crores in the last financial year, registering an increase of 19.40%. The export turnover of the division is Rs.313.35 crores in comparison to Rs.247.92 crores in the last financial year registering an increase of 26.93%. The Company has continued a series of Dealer, Retailer, Plumber & Architect / Builder / Consultants Conferences along with Press conferences & Brand awareness campaigns, which has increased the demand potential substantially.

Due to the spurt in demand of petroleum products, existing oil refineries are expanding their capacities and new refineries are coming up burgeoning as a result the demand for steel pipes enhanced substantially during the year.

LIGHTING DIVISION

The Lighting Division has witnessed a growth in revenue from operations. During the year under review, the revenue from operation of the division increased to Rs.769.84 crores as compared to Rs.722.13 crores last year, an increase of 6.61 % over the previous year.

2. DIVIDEND

Seeing the vast expansion and increased business

activities of the Company which resulted in substantial rise in interest, salary and other cost, and after taking into account the company's performance and Financial position, the Board has decided to plough back the profits of the years under review in the Company's itself so as to achieve desired level of growth and stability and decided not to recommend any payment of dividend on equity shares for the year ended 31st March, 2012.

3. SUBSIDIARY

Company has a non-listed Indian Subsidiary Company named as Surya Global Steel Tubes Limited and as on 31st March, 2012, the company had a total investment of Rs. 50,00,00,000 which is 53.73% of its subscribed Equity Capital.

The Revenue from Operation of the Subsidiary Company for the year ended 30th September, 2011 is Rs. 50247.01 Lakhs and Profit after tax stood at Rs.61.00 Lakhs.

4. FUTURE PROSPECTS**STEEL DIVISION**

India has become the global pipe manufacturing hub primarily due to the benefits of its low costs, higher quality and geographical advantages. The global accreditations and certifications that the Indian companies possess have made them preferred suppliers for many leading oil and gas companies in the world and particularly those in Middle East, North America and Europe. The expanding infrastructure, oil & gas and construction sectors have been the main growth drivers for steel industry that includes steel pipes. After the commencement of the Exploration & Production (E&P) projects for oil and gas companies, Indian pipe manufacturers are greatly benefitted by this new spurt in demand which will impact positively on the future growth. Existing oil refineries are expanding their capacities and new refineries are coming up burgeoning as a result the demand for steel pipes.

LIGHTING DIVISION

Lighting is always a prime necessity in the modern world. With the increase in residential houses, the demand for lighting and consequently the lighting industries are growing at tremendous pace. With growing demand for lighting products, the Lighting industry is on a strong wicket.

Surya Roshni brings brightness to many homes every evening in over 48 countries across the globe as it has an exhaustive range of luminaries and accessories to meet the requirements of every segment of the society. Through whole hearted efforts and better commitment at all levels, the revenue from operations and profitability of your company will be provide a more healthy growth and profitability in the years to come.



LUMINAIRE BUSINESS GROUP

The Luminaire Business Group (LBG) of the Lighting Division has been making consistent growth year on year. This trend has continued in this year also.

Our new State of the Art World Class Laboratory has been commissioned and has been inaugurated by Sh. G B Pradhan, Honorable Special Secretary, Ministry of Power, Government of India and Dr. Ajay Mathur, Director General, Bureau of Energy Efficiency. This is a major leap in the direction of developing Energy Efficient Products by our Company.

In this year many new energy saving products has been introduced like :

- LED Street Lights
- LED Tube Lights
- Induction Light for Petrol Pumps
- Induction Light for Street Lights
- Sensor Controlled Streetlights
- New Generation HID Street Lights

Luminaire Business Group is extending its Dealer Network Range across India and now has more than 500 dealers. In addition to this various marketing initiatives are being taken to consolidate the growth of the division and make the presence felt in the market.

RESEARCH AND DEVELOPMENT CENTRE

Electric light, once considered as night time substitute for day light, becomes 24x365 hour companion in all of human activities. It has helped significantly to expand range & time of human activities. With this expansion of uses, lighting energy use has become one of the major uses of energy in the country. Hence search is on for greater lighting efficiency.

Surya being a leader of lighting industry in India has conclusively embarked upon to bring the revolution in the world of lighting by setting up the state of the art of lighting laboratory & Research Centre-Surya Technology & Innovation Centre (STIC).

STIC is equipped with the most advanced photometric laboratory which houses High Speed automatic Mirror Gonio-photometer from LMT Germany-- undoubtedly the best equipment available for light measurement & optical evaluation for conventional Lighting System as well as LED & Induction Lighting system.

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

STIC has been recognized as an R & D centre by DSIR (Department of Scientific and Industrial Research,

Ministry of Science and Technology) and also it has been listed as one of the best testing laboratories in India by BEE (Bureau of Energy Efficiency), for the measurement complying BIS Standards/International Standard of LED lighting system.

Last but not least STIC is a Green Building with LEED Platinum certification and Process of accreditation is going on.

With all this Surya is proliferating with the development of the most energy efficient-environment friendly lighting products as well as providing design guidance 'how to use it scientifically & aesthetically' through its innovation in lighting design a new dimension to lighting practice, leading to evolve 'Green India'.

5. FIXED DEPOSITS:

The Public response towards the Company's fixed deposit schemes continued to be encouraging during the year under review. At the close of the year, 153 deposit holders, whose deposits, aggregating to Rs. 65.08 lacs, had become due for payment, did not claim or renewed their deposits. Since then, deposits aggregating to Rs. 24.07 lacs have either been claimed or renewed. The principal amount and interest were duly paid for all other deposits, which matured during the year.

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

Information in accordance with the provisions of Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption and foreign exchange earnings and outgo is given in the statement annexed (Annexure - 'A') hereto forming part of the report.

7. PARTICULARS OF EMPLOYEES AND DISCLOSURE OF INFORMATION

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

8. DIRECTORS' RESPONSIBILITY STATEMENT

The Board of Directors' of the Company confirm:

- that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures ;
- that the Directors had selected such accounting policies and applied them consistently and made