

**BOARD OF DIRECTORS**

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

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.	ICICI Bank
Punjab National Bank	State Bank of Patiala
Bank of Baroda	
Standard Chartered	

REGISTERED OFFICE AND WORKS-STEEL DIVISION

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

WORKS - STEEL DIVISION (MALANPUR)

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

WORKS - LIGHTING DIVISION

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

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

HEAD OFFICE

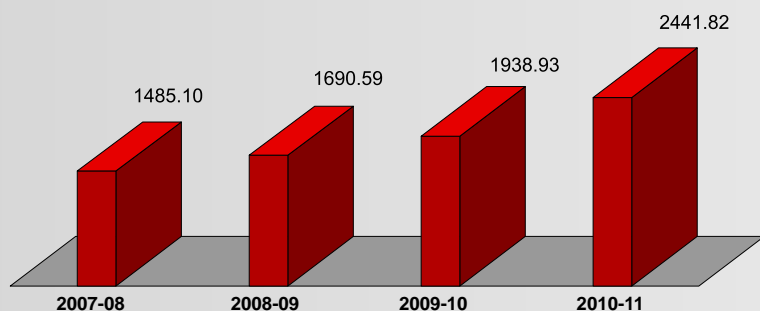
Padma Tower - 1, 5 Rajendra Place
New Delhi - 110 008
email : surya@sroshni.com

CONTENTS	PAGE NO.
Financial Highlights	2
Management Discussion & Analysis	3
Directors' Report	6
Report on Corporate Governance	12
Auditors' Report	19
Balance Sheet	21
Profit & Loss Account	22
Schedules	23
Balance Sheet Abstract	40
Cash Flow Statement	41
Interest in Subsidiary Company	42
Consolidated Financial Statements	43

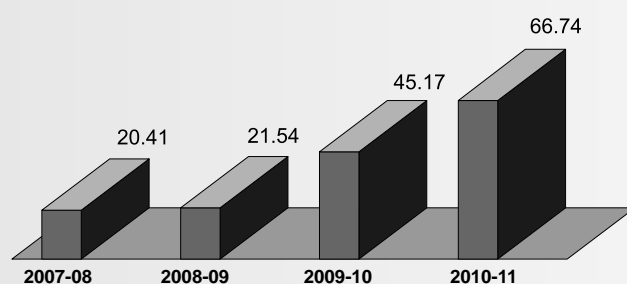
(Rs. in Crores)

Year March Ending	2007-08	2008-09	2009-10	2010-11
Turnover	1485.10	1690.59	1938.93	2441.82
Profit Before Interest, Depreciation & Tax	91.15	98.03	129.56	181.93
Profit Before Depreciation & Tax	53.08	51.58	80.85	121.39
Profit Before Tax	27.49	27.92	53.76	70.15
Profit After Tax	20.41	21.54	45.17	66.74
Dividend (%)	15.00	12.00	20.00	15.00
Net Worth				
Share Capital	28.43	28.43	37.00	61.46
Reserves	154.61	172.44	220.04	570.09
Total	183.04	200.87	257.04	631.55
Gross Fixed Assets	637.70	693.09	877.29	1220.72

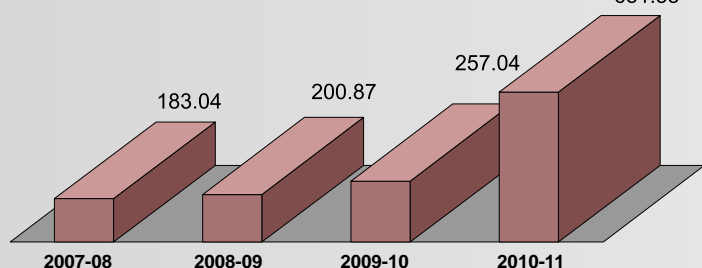
TURNOVER
(Rs. in Crores)



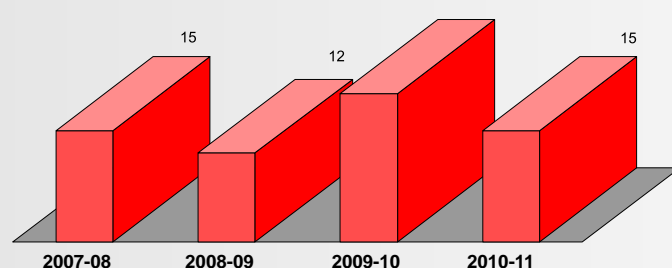
PROFIT AFTER TAX
(Rs. in Crores)



NET WORTH
(Rs. in Crores)



DIVIDEND
(in %)





MANAGEMENT DISCUSSION AND ANALYSIS

WE the SURYA

Surya Roshni Limited is a 37 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 his 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 Malanur, MP producing Fluorescent Tube lights, GLS Lamps, CFL Lamps, PCB, HPSV Lamps, HPMV Lamps and Metal Halide Lamps.
- Asia's Largest Ribbon glass plant from Dema Glass 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's processes are certified under ISO 9001:2008 Quality Management Systems Standard, ISO 14001:2004 Environmental Management Systems Standards and OHSAS 18001:2007 Occupational Health and Safety Management System Standard. Surya has also obtained 5 star rating for fluorescent tube lamps from Bureau of Energy Efficiency, India.

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.

With growing demand for lighting products, the Lighting industry is on a strong wicket. As per ELCOMA (Electric Lamp and Component Manufacturer's Association of India) the industry registered a growth of around 13% during the year 2010. Value-wise, the Lighting Industry in India stood at around Rs. 8000 Crores. Segment wise, growth of CFL was 25%, GLS 4%, FTL 9%, Against the above rates of growth of Industry SURYA has registered a remarkable growth in CFL 31%, GLS 10% and FTL 16%.

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 is coming up with state-of-the-art lighting laboratory in NOIDA that will be one of the best lighting laboratories in Asia. It will house the Mirror Gonio-photometer from LMT-Germany and will be used for developing new



generation energy saving luminaries. In addition to this, Surya will provide Photometric Optical Testing facility for all kinds of luminaries.

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

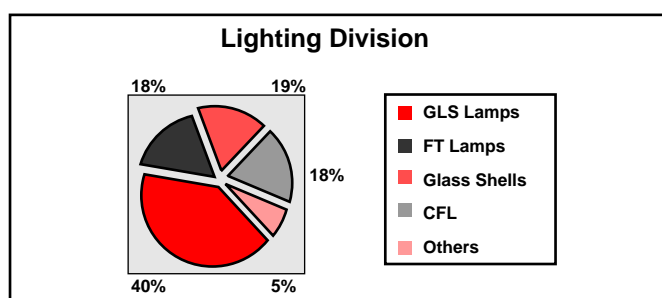
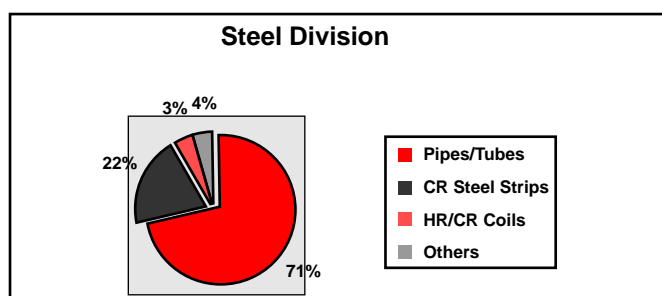
Competition: Competition from spurious manufacturers, unorganized sector without quality constraints and multinational companies is always a challenge. Surya believes in confronting such challenges and transforming them into opportunities. We expect to meet these threats with better products, informed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

SEGMENT WISE PERFORMANCE

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

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



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 company for the current as well as the previous year :

Particulars	(Rs. in Crores)	
	F.Y. 2010-2011	F.Y. 2009-2010
Turnover	2441.82	1938.93
Profit before Interest, Depreciation & Taxation (EBIDTA)	181.93	129.56
Interest	60.54	48.71
Depreciation	51.24	27.09
Profit before tax (PBT)	70.15	53.76
Tax Including Deferred Tax	3.42	8.59
Profit after taxation (PAT)	66.73	45.17
Balance brought forward from the earlier year	154.44	121.76
Profit available for appropriations	221.17	166.93
Proposed Equity Dividend	6.57	5.57
Tax on Distributed Profits	1.06	0.92
Transferred to General Reserve	7.00	6.00
Balance carried to Balance Sheet	206.54	154.44



During the year the turnover of the Company increased to **Rs. 2441.82 crores** from Rs.1938.93 crores last year, registering an increase of **25.94%**. The Profit After Tax is increased to **Rs. 66.73 crores** as compared to Rs. 45.17 crores last year registering a remarkable growth of 47.73% 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.

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 **4951** as on 31st March, 2011.

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 areas:

- 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 forward 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 eighth Annual Report of Financial Accounts for the year ended 31st March, 2011.

1. FINANCIAL PERFORMANCE

(Rs. in Crores)

Particulars	F.Y. 2010-2011	F.Y. 2009-2010
Turnover	2441.82	1938.93
Profit before Interest, Depreciation & Taxation (EBIDTA)	181.93	129.56
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Proposed Equity Dividend	6.57	5.57
Tax on Distributed Profits	1.06	0.92
Transferred to General Reserve	7.00	6.00
Balance carried to Balance Sheet	206.54	154.44

In the fiscal year under review, the turnover of your Company increased to Rs. **2441.82** crores from Rs. 1938.93 crores last year, registering an increase of **25.94%**. The Profit After Tax is increased to Rs. **66.73** crores as compared to Rs. 45.17 crores last year registering a growth of **47.73%** during this period. The export turnover during the year under review is Rs. **275.36** crores as compared to Rs. 245.45 crores in previous year. The performance of various divisions of the Company is given below:

STEEL DIVISION

During the year under review, the turnover of the division is Rs. **1520.17** crores as compared to Rs 1337.44 crores in the last financial year, registering an increase of **13.66%**. The export turnover of the division is Rs. **247.92** crores in comparison to Rs. 217.72 crores in the last financial year. 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.

During the year under review the company has commissioned one 1.75 MW Gas Gen Set during the year which has improved In- house generation of power. The Gas Gen Set has reduced our power cost and also contributed in emission reduction.

LIGHTING DIVISION

The Lighting Division has witnessed a remarkable growth in turnover. During the year under review, the turnover of the division increased to Rs. **824.61** crores as compared to Rs. 601.41 crores last year, an increase of **37.11 %** over the previous year growth of 29.65%.

During the year, Malanpur Unit has installed on Ribbon Machine a Stirrer system from SORG, Germany for better glass / quality of shells and further one assembly building was built to accommodate all the 8 CFL assembly lines, thereby improving the MHR and reduction in wastages.

HIGH MAST DIVISION

During the year under review, the division has achieved a production of 24112 MT of ERW pipes and 1025 MT of High Mast and Poles.. The turnover of the division is Rs. **97.04** crores.

During the year company has commissioned High Mast Fabrication Machinery and the state of Art Galvanizing plant of High Mast/ Poles and ERW pipes. Furthermore , the division has started production of High Mast and Poles and produced 1025 MT during the year. High masts up to the height of 40 meters and various types of Decorative Octagonal poles are manufactured to the best satisfaction of the customers.

2. DIVIDEND

The Board considering the Company's performance and financial position for the year under review, recommended payment of dividend of Rs. 1.50 per equity share of Rs.10 each on the 43,83,12,500 Equity Share Capital of the Company, for the year ended 31st March, 2011, subject to the approval of the members at the ensuing Annual General Meeting.

Together with Corporate Tax on dividend, The total outflow on account of equity dividend will be Rs. **7.64** crores, vis-a vis Rs. 6.49 crores paid for fiscal 2009-10.

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 9th September, 2011. In respect of shares held in dematerialised form, the dividend shall be payable on the basis of beneficial ownership as at the end of 5th September, 2011, as per the details furnished by National Securities Depository Ltd./ Central Depository Services (India) Ltd. for the purpose, as on that date.

3. SUBSIDIARY

Company has a non-listed Indian Subsidiary Company named as Surya Global Steel Tubes Limited and as on 31st March, 2011, the company had a total investment of Rs. 50,00,00,000 which is 53.73% of its subscribed Equity Capital.

In the Subsidiary Company during the year under review, two phases of Spiral Mill with capacity of 60,000 M.T & 1,40,000 MT respectively and ERW Pipe Project with capacity of 100000 MT per annum has been completed and commissioned successfully and commercial production has been started at Anjar, Bhuj (State of Gujarat).

The Turnover of the Subsidiary Company for the year ended 30th September, 2010 is Rs. 9879.59 Lakhs and Profit after tax stood at Rs. 73.52 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. 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.

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. As per ELCOMA (Electric Lamp and Component Manufacturer's Association of India) the industry registered a growth of around 13% during the year 2010. Value-wise, the Lighting Industry in India stood at around Rs. 8000 Crores. Segment wise, growth of CFL was 25%, GLS 4%, FTL 9%. Against the above rates of growth of Industry SURYA has registered a remarkable growth in CFL 31%, GLS 10% and FTL 16%.

LUMINAIRE BUSINESS GROUP

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

- Prismatic High Bays
- New Range of Commercial Luminaires for various applications of T5 & T8
- Integrated version of 2 x 400 W Floodlights in new shapes
- T5 Retrofit product
- Sensor Controlled streetlights

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
- Sensor Controlled Streetlights
- Outdoor Designer Range - High end Street / Flood Lights

Luminaire Business Group has entered into a strategic tie-up with AEC of Italy for marketing of their LED based street lights in India. LBG group has revamped and is further expanding its Dealer Network Range from a current level of 425 dealers to 600 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

Electric light, the third eye for human being, is the only possible way to make things visible for the accomplishment of human activities especially when sun goes down. Hence the search is on for greater lighting efficiency as well as optimum energy consumption of light sources.

Surya Roshni Ltd, a leading body in the lighting industries, has taken steps to bring the revolution in the world of lighting by 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.

STIC (RESEARCH AND DEVELOPMENT CENTRE) will

be equipped with the most advanced photometric laboratory which houses High Speed automatic Mirror Gonio-photometer from LMT for light measurement & optical evaluation for conventional Lighting System as well as LED measurements.

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

This will be a Green Building with LEED certification and it will be accredited by NABL as well. It will definitely act as catalyst for the growth of Luminaires Business Group of Surya Roshni Limited.

HIGH MAST DIVISION

The High Mast project has an installed capacity of 75000 MT per annum of ERW pipes and 11000 MT per annum High Mast / Poles. The plant has manufactured ERW pipes from ½" to 8" in different thicknesses as per the market demand and has achieved a production of 24112 MT.

For the current year, the division has a healthy order book and with the present trend it is expected to achieve the installed capacity by September 2011. After reaching a monthly target of 200 High Masts and 2000 poles the division is planning for further expansion of the Fabrication line

Further, the division has planned to introduce a new product range of Sectional pipes during the current year and has already ordered the required tools for manufacturing of the Sectional pipes. Introduction of sectional pipes in the product range will help expanding the customer base. The division is expected to achieve the installed production capacity by 30th June 2011.

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, 169 deposit holders, whose deposits, aggregating to Rs.80.14 lacs, had become due for payment, did not claim or renewed their deposits. Since then, deposits aggregating to Rs. 46.08 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:

- i. that in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanations relating to material departures;
- ii. that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- iii. that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. that the Directors had prepared the annual accounts on a "going concern" basis.

9. DIRECTORS

As per Article 101 of the Articles of Association of the Company, Shri Vineet Garg, Sh. B B Chadha and Smt. Urmil Agarwal, retire by rotation and, being eligible, offer themselves for reappointment.

Change in Directorship

During the year under review, Sh. Shanker Singal and Sh. Mukesh Tripathi have resigned from the Board w. e. f 19th October, 2010 and 11th February, 2011 respectively. Your Directors placed on record the high sense of appreciation for the wise counsel and valuable services rendered by them during their tenure on the Board.

During the year under review, the Board of Directors has inducted Sh. Utpal Kumar Mukhopadhyay and Shri Tara Sankar Bhattacharya as additional directors of the Company with effect from 14th February, 2011.

Appointment of Sh. Utpal Kumar Mukhopadhyay will strengthen the Board. He is retired from Indian Administrative Services (IAS) and has a rich experience of over 35 years in formulating public policies in the department of Transport, energy, environment tourism and home. His deep rooted knowledge and experience is vital for the growth and success of the Company.

Appointment of Sh. Tara Sankar Bhattacharya will strengthen the Board. He retired as the Managing Director of State Bank of India and carried with him a rich experience of over 38 years of Banking. He holds Membership of Indian Institute of bankers. His deep rooted knowledge and experience is vital for the growth and success of the Company.

10. AUDITORS

The Statutory Auditors, M/s Sastry K. Anandam & Company, Chartered Accountants (Firm Registration no-00179N) hold office till the conclusion of the ensuing Annual General Meeting and are recommended for re-appointment. The Certificate from the auditors have been received to the effect that their re-appointment, if made, would be within the prescribed limit under section 224(1B) of the Companies Act, 1956. The observations of the Auditors have been suitably dealt with in the notes on accounts.

11. COMPLIANCE CERTIFICATE

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

12. CORPORATE GOVERNANCE

Your company has complied with the requirements of clause 49 of the Listing Agreement regarding Corporate Governance. A Report on the Corporate Governance practices, the Auditors' certificate on compliance of mandatory requirements thereof and Management Discussions and Analysis are forming part of Annual Report.

13. ACKNOWLEDGEMENTS & APPRECIATION

The Board places on record their appreciation for the continued support from Financial Institutions, Bankers, Central and State Government Bodies, Legal Advisers, Consultants, Dealers, Retailers, other Business Constituents and Investing Public.

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

for and on behalf of
the Board of Directors

Place : New Delhi

Dated : 05th May, 2011

J P AGARWAL

Chairman and Managing Director

**ANNEXURE 'A' TO DIRECTORS' REPORT**

Information as per Section 217(1)(e) read with Companies(Disclosure of particulars in the Report of Board of Directors) Rules, 1988 and forming part of the Directors' Report for the year ended 31st March, 2011.

I. CONSERVATION OF ENERGY**a) Energy conservation measures taken:****At Steel Division, Bahadurgarh :**

- One Gas Generator of Capacity 1.75 Mega Watt was commissioned to increase in-house power generation and for emission reduction and thus reduce overall power cost and will contribute for emission reduction.
- Installed some VFD (AC Drives) on N2 plant and pipe mill no. COC machine and thus save energy.
- Increased use of HSEB Power in comparison to Gas Gen Set.
- Saving of energy is achieved by putting auto cut to the aux on different machines when it is not producing.

At Malanpur Unit of Lighting Division :

- Saving of energy achieved by installation of MB Tower in existing DM water plant
- Saving in energy achieved by reduction in pressure of compressed air.
- Replacement of IR make reciprocity compressor with Kaesar make screw compressor reduces energy consumption.
- Auto wiping M/c introduced on CFL-GE Chain
- Introduced alternate source beads for GE Chains.

At Kashipur Unit of Lighting Division :

- Saving of energy achieved by reducing the Blower pressure on TL 5th Chain.
- Fabrication and Installation of G.I Ducting in CFL plant and SVL plant and T1 6th Chain.
- Saving of energy by installation & Commissioning of 1000 Kva D.G. Set in existing power house.
- D G Set power generation per unit increased from 3.50 units per liter to 3.52 unit per liter.

b) Additional investment and proposals being implemented for reduction of consumption of energy :**At Steel Division, Bahadurgarh :**

Efforts are going on for usage of Gas based Generators for reduction of consumption of energy.

c) Impact of the measures at a) above for reduction of energy consumption and consequent impact on the cost of production of goods :

Using Gas based Generator Set for power generation will reduce the downtime which frequently took place in purchasing power from Electricity Boards. The above measures resulted in substantial saving in the consumption of energy and consequent saving in the cost of production of goods.

d) Total energy consumption and energy consumption per unit of production as per Form-A of the Annexure to the Rules in respect of Industries in the Schedule thereto :

	<u>Steel Products</u>		<u>Lighting Products</u>		<u>PVC</u>	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
A) Power & Fuel Consumption						
1. Electricity						
a) Purchased						
Units (in thousands)	14344.79	14583.37	34050.42	24022.95	864.31	0.84
Total Amount (Rs. in lacs)	803.27	663.07	1532.12	985.92	33.62	0.03
Rate / Unit (Rs.)	5.60	4.55	4.50	4.10	3.89	3.49
b) Own Generation						
Through Diesel Generator						
Units (in thousands)	405.74	2114.91	1423.92	1915.58	81.68	Not Used
Unit per Ltr. Of HSD	2.75	2.97	3.47	3.52	2.76	Not Used
Cost / Unit (Rs.)	12.52	10.40	9.55	8.42	11.94	Not Used
c) Own Generation by						
Natural Gas Generator Set						
Units (in thousands)	19982.33	13936.07	5708.48	10307.20	Not Used	Not Used
Unit per SCM3	3.40	3.17	3.77	3.91	Not Used	Not Used
Cost / Unit (Rs.)	3.87	3.84	3.08	3.45	Not Used	Not Used
2. Furnace Oil/LDO						
Qty. (K.Ltrs.)	Not Used	Not Used	3178.58	3309.15	Not Used	Not Used
Total amount (Rs. in lacs)	Not Used	Not Used	1054.23	945.72	Not Used	Not Used
Avg. Rate (Rs.)	Not Used	Not Used	33.17	28.58	Not Used	Not Used
3. RLNG (Natural Gas)						
Qty. SCM3 (in thousands)	6386.03	6259.89	10910.98	10178.90	Not Used	Not Used
Total amount (Rs. in lacs)	840.15	760.58	1569.94	1430.91	Not Used	Not Used
Rate / SCM (Rs.)	13.16	12.15	14.39	14.06	Not Used	Not Used



	<u>Steel Products</u>		<u>Lighting Products</u>		<u>PVC</u>	
	2010-2011	2009-2010	2010-2011	2009-2010	2010-2011	2009-2010
4. L.P.G.						
Qty. (Tonnes)	Not used	Not used	2566.65	2301.86	Not Used	Not Used
Total amount (Rs. in lacs)	Not used	Not used	1206.85	864.63	Not Used	Not Used
Rate / KG (Rs.)	Not used	Not used	47.02	37.56	Not Used	Not Used
5. Diesel / LDO						
Qty. (K.Ltrs.)	82.27	65.92	473.94	376.97	Not Used	Not Used
Total amount (Rs. in lacs)	28.35	19.80	158.32	112.75	Not Used	Not Used
Rate / Ltr. (Rs.)	34.46	30.04	33.41	29.91	Not Used	Not Used
6. Propane						
Qty. (Tonnes)	Not used	Not used	0.88	6.71	Not Used	Not Used
Total amount (Rs. in lacs)	Not used	Not used	0.32	2.05	Not Used	Not Used
Rate / KG (Rs.)	Not used	Not used	36.36	30.55	Not Used	Not Used

B) Consumption per unit production

Product	Unit	Steel Tubes/ Pipes/ C.R.Strips (Per M.T.)		Glass Item (Per M.T.)		Glass Item (Per M.T.)	
Electricity	Units	114.58	107.76	138.78	153.03	705.99	153.23
Furnace Oil/HSD/LDO/RFO	Ltrs.	0.21	Not Used	179.26	197.35	Not used	Not used
Propane / LPG	Kg.	Not used	Not used	50.08	56.40	Not used	Not used
HSD/LDO in GI -	Ltrs	0.60	0.41	Not used	Not used	Not used	Not used
HSD/LDO in CR Mill -	Ltrs	0.24	0.16	Not used	Not used	Not used	Not used
Natural Gas Consumption (In GI Mill)	SCM3	35.46	29.88	Not used	Not used	Not used	Not used
Natural Gas Consumption (In CR Mill)	SCM3	33.79	34.63	Not used	Not used	Not used	Not used

II. TECHNOLOGY ABSORPTION

Efforts made in technology absorption as per Form-B of the Annexure to the Rules :

1. Research and Development (R&D)

- Specific areas in which R&D carried out by the company :** During the year under review, no R&D carried out.
- Benefits derived as a result of above R&D :** Not Applicable
- Future Plan of action :** Research and Development activities shall be carried out in future as the 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.
- Expenditure on R&D :** Except Capital Work-in progress of Research & Development Centre of Noida, No capital as well as recurring expenditure made on R&D.

2. Technology absorption, adaptation & innovation:

- Efforts, in brief, made towards technology absorption, adaptation & innovation :**
Major initiatives are being taken to upgrade the various processes by making use of latest and better techniques. Efforts are constantly being made to make the maximum use of the available infrastructure, at the same time innovating new techniques to bring about efficiency as well as economy in different areas. Employees are given appropriate training of and on the job, to enable them to achieve the planned performance.
- Benefits derived as a result of the above efforts, e.g. product improvement, cost reduction, product development, import substitution etc. :**
There were various benefits derived as a result of the efforts listed above, some of them included better utilization of the available resources, product improvement and development, cost reduction, better overall efficiency.
- In case of imported technology (imported during the last 5 years reckoned from the beginning of the financial year) :** Nil

III. FOREIGN EXCHANGE EARNINGS AND OUTGO

- Activities relating to exports, initiatives taken to increase export, development of new markets for products and services and export plans :**
Major initiatives were taken to boost the exports of the company. Some of them included :
 - Emphasis has been given on Foreign Traveling of Export Executives and Directors for development of new markets.
 - The Company has participated in the conferences and exhibitions organized in various foreign countries.
- Total foreign exchange used and earned (Rs. in lacs)**
Used : 15896.65 Earned : 25413.19

for and on behalf of
the Board of DirectorsPlace : New Delhi
Dated : 05th May, 2011J P AGARWAL
Chairman and Managing Director

**ANNEXURE 'B' TO THE DIRECTORS' REPORT**

Statement of particulars of employees pursuant to the provisions of Section 217(2A) of the Companies Act, 1956, and part of the Directors' Report

Sl. No.	Name	Age Yrs.	Designation/ Nature of duties	Remuner- ation (Rs.)	Qualifi- cation	Expe- rience Yrs.	Date of Commence- ment of employment	Last employment and position held
1.	Sh. J.P. Agarwal	60	Chairman & Managing Director	1,48,60,200	B.Com	39	01.04.1986	Jindal Industries Ltd. (Executive Director)

NOTES:

- 1) The employment of Shri J. P. Agarwal is contractual and governed by the terms and conditions approved by the Shareholders.
- 2) Remuneration includes salary, commission, medical exp., house rent paid / house rent allowance, other allowances and taxable value of perquisites.
- 3) No employees of the Company came within the purview of the provisions of Section 217 (2A)(a)(iii) of the Companies Act, 1956 during the year

**for and on behalf of
the Board of Directors**

**Place: New Delhi
Dated: 05th May, 2011**

**J P AGARWAL
CHAIRMAN AND MANAGING DIRECTOR**

ANNEXURE 'C' TO THE DIRECTORS' REPORT**Certification by Managing Director and Dy. Managing Director & Chief Financial Officer (CFO) of the Company**

We hereby certify that for the financial year ending 31st March, 2011 on the basis of the review of the financial statements and the cash flow statement and to the best of our knowledge and belief that :

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. There are, to the best of our knowledge and belief, no transactions entered into by the company during the 2010-2011 which are fraudulent, illegal or violative of the Company's Code of Conduct.
4. We accept the responsibility for establishing and maintaining internal controls. We have evaluated the effectiveness of the internal control systems of the Company and we have disclosed to the auditors and the Audit Committee those deficiencies, of which we are aware, in the design or operation of the internal control systems and that we have taken the required steps to certify these deficiencies.
5. We further certify that :
 - a. There have been no significant changes in internal control during this year.
 - b. There have been no significant changes in accounting policies during this year.
 - c. There have been no instances of significant fraud of which we have become aware and the involvement therein, of management or an employee having a significant role in the Company's internal control system.

**Place : New Delhi
Dated : 05th May, 2011**

**J P AGARWAL
Chairman & Managing Director**

**ARVIND BANSAL
Dy. Managing Director & CFO**

**REPORT ON CORPORATE GOVERNANCE****1. Corporate Governance Philosophy**

The company is committed to good Corporate Governance. The Company fully realizes the rights of its shareholders to information on the performance of the Company and considers itself a trustee of its shareholders. The Company provides detailed information on various issues concerning the Company's business and financial performance, to its shareholders. The basic philosophy of Corporate Governance in the Company is to achieve the business excellence and dedicate itself for increasing long term shareholder value, keeping in view the needs and interests of its stakeholders. The Company is committed to transparency in all its dealings and places emphasis on business ethics. This chapter constitutes your Company's compliance with Clause 49 of the Listing Agreement.

2. Board of Directors**i. Composition / Category of Directors / Attendance at Meetings / Directorships and Committee Memberships in other companies as on 31st March, 2011**

The names, along with categories of the Directors on the Board, their attendance at Board meetings during the year and at the last AGM as also the number of directorships and committee memberships held by them in other companies are given below :

Name of the Director	Category of Directors	No. of Board Meetings attended during 2010-11	Last AGM attendance	No. of Directorships held in other companies		No. of committee positions held in other companies	
				Chairman	Director	Chairman	Member
Sh. J.P. Agarwal (Chairman & Managing Director)	Promoter Executive Non-Independent	5	NO	1	12	-	-
Sh. Aloke Sengupta (IDBI Nominee)	Non-Executive Independent	5	NO	-	1	-	-
Sh. K. K. Narula	Non-Executive Independent	6	YES	-	1	1	-
Sh. Ravinder Kumar Narang	Non-Executive Independent	6	NO	-	2	-	-
Smt. Urmil Agarwal	Non-Executive Non-Independent	2	NO	-	-	-	-
Sh. B.B. Chadha	Non-Executive Independent	6	NO	-	4	1	2
Sh. Shanker Singal #	Non-Executive Independent	1	NO	-	1	-	-
Sh. Satya Narain Bansal	Executive Non-Independent	6	YES	-	12	-	1
Sh. Arvind Kumar Bansal	Executive Non-Independent	5	NO	-	9	-	-
Sh. Vineet Kumar Garg	Executive Non-Independent	3	NO	-	8	-	1
Sh Raju Bista	Executive Non-Independent	5	NO	-	8	-	-
Sh. Mukesh Tripathi *	Non-Executive Independent	5	NO	-	2	-	-
Sh. Utpal K Mukhopadhyay ~	Non-Executive Independent	1	N.A	-	3	-	-
Sh. TaraSankar Bhattacharya^	Non-Executive Independent	Nil	N.A	-	6	-	-

Resigned from the Board of the Company on 19th October, 2010.

* Resigned from the Board of the Company on 11th February, 2011

~ Appointed on the Board of the Company w. e. f 14th February, 2011

^ Appointed on the Board of the Company w. e. f 14th February, 2011

The Chairman is an Executive Director and the number of Independent Non-Executive Directors on the Board is not less than 50% of the Board strength at any point of time, except for a period from 20th October, 2010 to 13th February, 2011. All Independent Non-Executive Directors comply with the legal requirements for being "independent". The Independent Directors do not have any pecuniary relationships or transactions either with the Company or with the promoters/management that may affect their judgment in any manner.

None of the Directors of our Company were members in more than 10 committees or acted as Chairman of more than five committees across all companies in which they were Directors.

**ii. No. of Board Meetings held in the financial year 2010-2011 and dates on which held**

Under the Law, the Board of Directors must meet at least once in a quarter and four times a year, with a maximum time gap of four months between any two meetings to consider amongst other business, the quarterly performance of the Company and financial results.

During the last financial year, our Board met six times, on 30th April, 2010 ; 28th May, 2010 ; 9th August, 2010 ; 22nd October, 2010 ; 12th November, 2010 and 14th February, 2011.

Surya Code of Conduct

The Board Members and Senior Management personnel have affirmed their compliance with the code of conduct. The Code of Conduct has already been posted on the website of the Company. The Chairman and Managing Director has certified that the Board Members and senior management personnel have complied with the code of conduct and the same is placed before the Board. The declaration to this effect signed by the Chairman and Managing Director is attached to this report.

3. Audit Committee**a) Terms of Reference**

The Audit Committee is responsible for overseeing of the company's financial reporting process, reviewing the quarterly/half-yearly/ annual financial statements, reviewing with the management on the financial statements and adequacy of internal audit function, recommending the appointment / re-appointment of statutory auditors and fixation of audit fees, reviewing the significant internal audit findings / related party transactions, reviewing the Management Discussion and Analysis of financial condition and result of operation. The Committee acts as a link between the management , external and internal auditors and the Board of Directors of the Company. The Committee discussed with the external auditors their audit methodology, audit planning and significant observations / suggestions made by them. The Committee also discussed major issues related to risk management and compliances.

In addition, the Committee has discharged such other role/function as envisaged under clause 49 of the Listing Agreement of the Stock Exchanges and the provisions of Section 292A of the Companies Act, 1956.

b) No. of Audit Committee Meetings and dates on which held / Composition / Category / Attendance at Meetings

The Audit Committee comprises three Directors. During the year under review, five committee meetings were held on 30th April, 2010 ; 28th May, 2010 ; 9th August, 2010 ; 12th November, 2010 and 14th February, 2011. The names along with categories of the members and the attendance of members at the meeting was as follows :

Names of the Members	Category	No. of Meetings Attended
Sh. K. K. Narula	Chairman, Independent - Director	5
Sh.B. B. Chadha	Member, Independent - Director	5
Sh. Mukesh Tripathi *	Member, Independent - Director	4
Sh. Arvind Kumar Bansal **	Member, Non - Independent Director	Nil

* Resigned on 11th February, 2011.

** Inducted on 14th February, 2011 by re-constitution of Committee.

All the members except Sh. Mukesh Tripathi have extensive financial and accounting knowledge and background. The terms of reference of the Audit Committee are in line with Clause 49 II (C) and (D) of the Listing Agreement with the stock exchanges and Section 292A of the Companies Act, 1956. The quorum for the Committee is two independent members. The Audit Committee meetings were attended by the heads of Finance and Internal Audit and the Auditors (including Cost Auditors) as invitees. The members held discussions with the Auditors during the meetings and the Committee reviewed the periodic unaudited and audited results of the company before being considered and approved by the Board of Directors. Sh. B.B. Singal, AVP & Company Secretary, acts as the secretary to the Committee.

4. Directors Remuneration**a. Pecuniary Relationships:**

None of the Non Executive Directors of your Company have any pecuniary relationship or transactions with the Company except for sitting fees paid to them for attending Board meetings or Committee meetings thereof.

b. Remuneration Policy:

The following aspects are considered while determining the remuneration package of the senior management of the Company:

- Industry Standards
- Remuneration package of executives in the industry with similar skill sets



c. The details of remuneration / sitting fees paid to the Executive Directors / Non Executive Directors during the financial year 2010-2011 is as under:

Name	Salary (Rs.)	Perquisites & Allowances(Rs.)	Commission (Rs.)	Stock Options	Sitting Fees (Rs.)
Sh. J.P.Agarwal Chairman & Managing Director) \$	74,30,100	37,15,050	37,15,050	Nil	N .A.
Sh. S N Bansal	22,30,000	8,92,000	Nil	Nil	N. A.
Sh. Arvind Bansal	22,30,000	8,92,000	Nil	Nil	N. A.
Sh.Vineet Kumar Garg	22,30,000	8,92,000	Nil	Nil	N. A.
Sh.Raju Bista	11,00,000	4,40,000	Nil	Nil	N. A
Smt. Urmil Agarwal	Nil	Nil	Nil	Nil	35,000/-
Sh. K.K.Narula	Nil	Nil	Nil	Nil	4,10,000/-
Sh. Ravinder Kumar Narang	Nil	Nil	Nil	Nil	1,10,000/-
Sh. B.B. Chadha	Nil	Nil	Nil	Nil	3,15,000/-
Sh. Mukesh Tripathi *	Nil	Nil	Nil	Nil	2,50,000/-
Sh. Shanker Singal #	Nil	Nil	Nil	Nil	15,000/-
Sh. Alope Sengupta (As a representative of IDBI Bank)	Nil	Nil	Nil	Nil	90,000/-
Sh.Utpal Kumar Mukhopadhyay ~	Nil	Nil	Nil	Nil	20,000/-

\$ Voluntarily decided to draw Salary of Rs. 100/- p.m w.e.f 1st March, 2011

* Resigned from the Board on 11th February, 2011

Resigned from the Board on 19th October, 2010

~ Appointed on the Board of the Company w. e. f 14th February, 2011

Period of Contract (Sh. J.P.Agarwal) : 5 years from 1st January, 2007 (i.e. upto 31st December 2011)

Period of Contract (Sh. S.N.Bansal) : 5 years from 31st July, 2008 (i.e. upto 30th July, 2013)

Period of Contract (Sh.Arvind Bansal) : 5 years from 31st July, 2008 (i.e. upto 30th July 2013)

Period of Contract (Sh. Vineet Garg) : 5 years from 31st July, 2008 (i.e. upto 30th July 2013)

Period of Contract (Sh. Raju Bista) : 5 years from 18th June, 2009 (i.e. upto 17th June 2014)

The Company has not issued Stock options (ESOPs) to any of its Directors.

Number of Shares held by Non Executive Directors:

Smt. Urmil Agarwal - 200431

5. Remuneration Committee

During the year 2010-2011, One meeting was held on 27.05.2010 and which was attended by Sh. K K Narula & Sh. Mukesh Tripathi. The members of the Remuneration Committee with their names, their categories and their attendance was as follows :

Names of the Members	Status	No. of Meetings Attended
Sh. K K Narula	Chairman Independent - Director	1
Sh. B B Chadha	Member, Independent - Director	Nil
Sh. Mukesh Tripathi *	Member, Independent - Director	1
Sh. R K Narang ***	Member, Independent - Director	Nil

* Resigned on 11th February, 20011.

*** Inducted on 14th February, 2011 by reconstitution of Committee

The scope of the Remuneration Committee includes finalizing the remuneration packages for Executive Director(s) of the Company. Sh. B. B. Singal, AVP & Company Secretary, acts as the secretary to the committee.



6. Shareholders/ Investors' Grievance Committee

The Committee has the mandate to review and redress shareholder grievances. The Committee met 4 times during the year on 20.04.2010, 20.07.2010, 22.10.2010 and 15.01.2011, and the attendance of Members at the Meeting was as follows:

Names of the Members	Status	No. of Meetings Attended
Sh. K K Narula	Chairman	4
Sh.S N Bansal	Member	4
Sh. Mukesh Tripathi *	Member	4
Sh. R K Narang ***	Member	Nil

* Resigned on 11th February, 2011.

*** Inducted on 14th February, 2011 by re-constitution of Committee.

The quorum for the Committee is two members. The minutes of the Committee were placed before the Board.

Compliance Officer : Sh. B.B.Singal (AVP & Company Secretary)
 Number of shareholders' complaints received upto 31st March, 2011 : 12
 Number of complaints not solved to the satisfaction of the shareholders : Nil
 Number of pending complaints : Nil

7. General Body Meetings

The last three Annual General Meetings were held on the following dates :

24.09.2008 ; 24.09.2009 ; 24.09.2010

at the Registered Office of the company at Prakash Nagar, Sankhol, Bahadurgarh –124 507 at 11:00 a.m except for the Annual General Meeting held on 24.09.2008 which was held at the Registered office of the Company at Prakash Nagar, Sankhol, Bahadurgarh – 124507 at 10.30 a.m.

One Special Resolution was passed at the 35th AGM held on 24th September, 2008 and One Special Resolution was passed at the 36th AGM held on 24th September, 2009.

No Resolution was passed through Postal Ballot during the year under review.

8. Disclosures

- The senior management has made disclosures to the board relating to all material financial and commercial transactions. There are no materially significant related party transactions that may have potential conflict with the interest of the company at large.
- The Company has complied with all applicable requirements prescribed by the regulatory and statutory authorities including Stock Exchanges and SEBI during the preceding three financial years on all matters related to capital market and no penalties / strictures in this respect have been imposed on the Company.
- The Company has complied with all mandatory requirements and has constituted Remuneration Committee of the Board. As the personnel of the company have direct access to the management, company has not established a mechanism of Whistle Blower Policy.
- Company had outstanding 45,70,000 Optionally Convertible Warrants (Series 1) as on 31st March, 2010.

During the year, consequent to the shareholders' approval in the Extra Ordinary General Meeting held on 29th June, 2010, the Company has issued 1,14,30,000 optionally convertible warrants on preferential basis (Series 2) of Rs. 10/- each at premium of Rs. 73/- per warrant on 12th July, 2010. For the said 1,14,30,000 warrants, the Company has received the 25% upfront money (i.e Rs. 20.75/- per warrant) amounting to Rs. 23,71,72,500/- (Rupees Twenty three Crore Seventy One Lac Seventy two thousand five hundred only).

Further, 45,70,000 Optionally Convertible warrants (Series 1) outstanding for conversion as on 31st March, 2010 (originally issued on 14th December, 2009) and 1,14,30,000 Optionally Convertible warrants (Series 2) issued on 12th July, 2010 have been converted into Equity Shares, on 22nd October, 2010 by the Board of the Company on receiving 75% allotment money (Rs. 44.25/- per warrant on 45,70,000 warrants) amounting to Rs. 20,22,22,500/- (Rupees Twenty Crore twenty two Lac twenty two thousand five hundred) from the applicants of Series 1 and (Rs. 62.25 per warrant on 1,14,30,000 warrants) Rs. 71,15,17,500 (Rupees Seventy One Crore fifteen lac seventeen thousand five hundred only) respectively from the applicants of Series 2.

Further consequent to the allotment of 45,70,000 equity shares and 1,14,30,000 equity shares upon conversion of warrants to Promoter / Promoter Group (including persons acting in concert), the Acquirer's Sh. Jai Prakash Agarwal (Promoter) and M/s Lustre Merchants Private Limited along with Persons Acting in Concert (PAC) have made a Public Announcement dated 18th October, 2010 and Letter of offer dated 18th February, 2011 respectively pursuant to regulation 11(1) of Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 1997 for Consolidation of Holdings. The Acquirers acquired 29,93,641 equity shares through open offer & thus the consolidate holding of Promoter & Promoter Group increased to 62.311% as on 31st March, 2011.

Furthermore, during the year, consequent to the shareholders' approval in the Extra Ordinary General Meeting held on 16th November, 2010, the Company has issued 54,75,000 optionally convertible warrants on preferential basis (Series 3) of Rs. 10/- each at premium of Rs. 101/- per warrant on 30th November, 2010. For the said 54,75,000 warrants, the Company has received the 25% upfront money (i.e Rs. 27.75/- per warrant) from the applicants of the aforesaid warrants amounting to Rs. 15,19,31,250/- (Rupees Fifteen Crore Nineteen Lac thirty one thousand two hundred fifty only). The said 54,75,000 Optionally Convertible warrants (Series 3) are outstanding for conversion into equity shares as on 31st March, 2011.

The above said funds received on issue of warrants and conversion thereof have been utilized by the Company for working capital margin requirements

**9. Means of Communication**

- i. Quarterly results sent to each shareholders residence : No
 ii. Newspapers in which quarterly results normally published : Business Standard / Business Line, Dainik Tribune
 iii. Website where results or official news are displayed : www.suryaroshnilighting.com
 iv. Whether it also displays presentations made to institutional investors or to the analysts : Yes (if any)
 v. Whether Management Discussion & Analysis Report is part of the Annual Report or not : Yes

10. General Shareholder Information

- i. **AGM** : Date and Time - 28.09.2011 at 11:00 a.m.
 Venue - Prakash Nagar, Sankhol, Bahadurgarh, Haryana – 124 507.
 ii. **Financial Year** - 1st April to 31st March
 iii. **Book closure Date** - 06.09.2011 – 09.09.2011 (both days inclusive)
 iv. **Dividend payment date** - 5th October, 2011
 v. **Listing on Stock Exchanges** - The securities of the company were listed on the following Stock Exchanges during the financial year 2010-11:

The Stock Exchange, Mumbai
 Rotunda Building, Dalal Street,
 Fort, Mumbai – 400 001.

The National Stock Exchange of India Ltd.
 Exchange Plaza, Bandra- Kurla
 Complex, Bandra, Mumbai – 400 051.

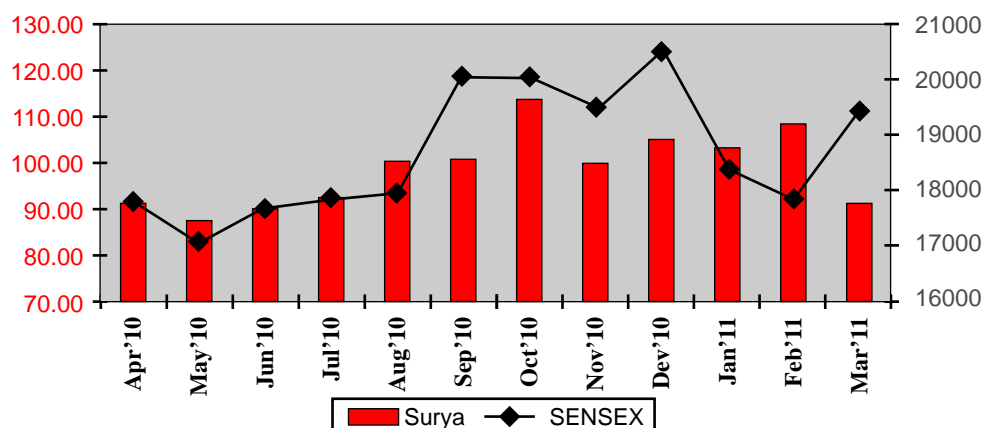
The company has paid the Annual Listing Fees to the Stock Exchanges for the Financial Year 2010-11 and 2011-12

vi. Stock Code

	National Stock Exchange	Bombay Stock Exchange	ISIN
Equity Shares- Symbol / Code	SURYAROSNI	500336 (Dematerialised) 336 (Physical)	INE335A01012

vii. Market Price Data :

MONTH	NSE		BSE	
	HIGH (Rs.)	LOW (Rs.)	HIGH (Rs.)	LOW (Rs.)
April, 2010	99.90	78.60	99.50	78.60
May, 2010	91.80	77.10	92.00	76.55
June, 2010	93.70	82.50	93.65	80.65
July, 2010	97.60	87.20	97.50	87.60
August, 2010	108.00	87.20	108.00	91.80
September, 2010	108.90	97.50	109.00	96.15
October, 2010	127.00	100.50	123.95	100.50
November, 2010	120.50	92.10	121.00	93.25
December, 2010	108.00	95.20	108.20	94.75
January, 2011	108.95	96.70	109.50	99.35
February, 2011	109.25	100.65	110.00	102.65
March, 2011	110.00	91.00	110.00	92.15

viii. Performance in comparison to BSE SENSEX

**ix. Registrar**

(Common for both Physical and
Electronic share registry)

: **MAS Services Limited**

T-34, 2nd Floor, Okhla Industrial Area,
Phase – II, New Delhi – 110 020
Tel.: (011) 2638 7281/82/83
Fax: (011) 2638 7384
E-Mail: info@masserv.com

x. Share Transfer System

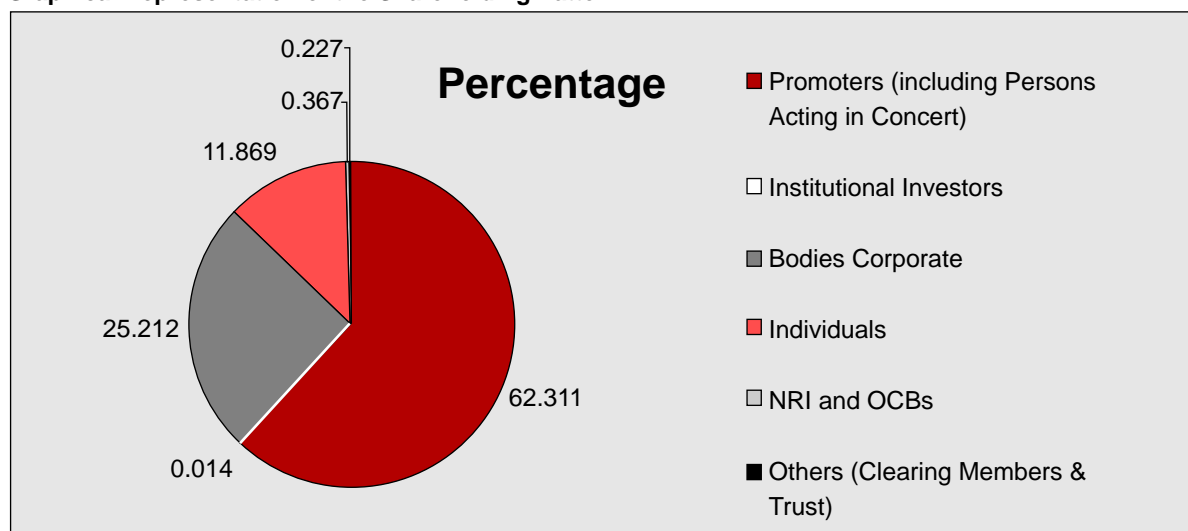
The Company's share transfers are handled by MAS Services Ltd., Registrar and Transfer Agents(RTA). The shares received in physical mode by the Company/RTA are transferred expeditiously provided the documents are complete and shares under transfer are not under dispute. Confirmation in respect of the request for dematerialisation of shares is sent to the respective depositories – National Securities Depository Limited / Central Depository Services (India) Limited within 15 days. None of the transfer was pending for more than a fortnight as on 31st March, 2011.

xi Distribution of Shareholding

Share Holding of Nominal Value of Rs.	Shareholders		Shares	
	Number	% of Total	Number	% of Total
1 - 5000	17779	88.833	2406167	5.490
5001 - 10000	1370	6.845	1056212	2.410
10001 - 20000	495	2.473	731580	1.669
20001 - 30000	145	0.724	372270	0.849
30001 - 40000	53	0.265	190470	0.434
40001 - 50000	44	0.220	212528	0.485
50001 - 100000	66	0.330	485512	1.108
100001 & Above	61	0.310	38376511	87.555
Total	20013	100.000	43831250	100.000

Shareholding Pattern

CATEGORY	No. of Shares held	% age of Paid-up Capital
Promoters (including Persons Acting in Concert)	27311643	62.311
Institutional Investors	6159	0.014
Bodies Corporate	11050552	25.212
Individuals	5202437	11.869
NRI and OCBs	160821	0.367
Others (Clearing Members)	97438	0.227
(Trust)	2200	0.005
TOTAL	43831250	100.00

Graphical Representation of the Shareholding Pattern



- xii. Dematerialisation of Shares & Liquidity** : The company has obtained electronic connectivity with the National Securities Depository Ltd. (NSDL) and the Central Depository Services (India) Ltd. (CDSL) for demat facility (ISIN: INE335A01012). As on 31st March, 2011, 2,68,44,505 equity shares, being 61.245% of the company's total paid-up equity shares had been dematerialized.
The shares of the company are regularly traded at the NSE and BSE.
- xiii. Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date & likely impact on equity** : 54,75,000 optionally convertible warrants of Rs. 111/- each Rs.27.75/- has been paid-up on the said warrants. The same are convertible into equivalent number of equity shares on or before 29th May, 2012. After conversion, the paid-up equity capital will be enhanced accordingly.
- xiv. Plant Locations**
- | | | |
|---------------------------|---|--|
| Steel Division | : | Prakash Nagar, Sankhol, Bahadurgarh, Haryana – 124 507. |
| High Mast Division | : | Plot No. P-1 to P-20, Ghirongi Industrial Area Malanpur Dist. Bhind (M.P.) |
| Lighting Division | : | 7 km Stone, Kashipur-Moradabad Road Kashipur-244 713 (Uttarakhand)
J-7,8 & 9, Malanpur Industrial Area, Malanpur, Distt. Bhind (M.P.) |
- xv. Address for correspondence** : **The AVP & Company Secretary
Surya Roshni Limited
Padma Tower –I, 5 Rajendra Place,
New Delhi – 110 008.
Tel. - (011) 43821162, 47108000
Fax - (011) 25789560
E-Mail - bbsingal@ho.surya.in
investorgrievances@sroshni.com**

DECLARATION

I hereby confirm that all the Board Members and senior management personnel of the company have affirmed their compliance of the 'Code of Conduct for Members of the Board and Senior Management' for the year ended 31st March 2011 in terms of Clause 49(I)(D)(ii) of the Listing Agreement with the Stock Exchanges.

Place: New Delhi

Dated: 05th May, 2011

**Chairman & Managing Director
DIRECTOR IDENTIFICATION NO. - 00041119**

AUDITOR'S CERTIFICATE

Auditor's certificate on compliance with the conditions of Corporate Governance under Clause 49 of the Listing Agreement

To the Members of Surya Roshni Limited

We have examined the compliance of conditions of corporate governance by Surya Roshni Limited ("the company") for the year ended 31st March, 2011, as stipulated in Clause 49 of the Listing Agreement of the company with the stock exchanges.

The compliance of the conditions of corporate governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof, adopted by the company, for ensuring the compliance of the conditions of corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the company has complied with the conditions of corporate governance as stipulated in the abovementioned Listing Agreement.

We state that no investor grievances are pending for a period exceeding one month against the company as per the records maintained by the company.

We further state that such compliance is neither an assurance as to the future viability of the company nor the efficiency or effectiveness with which the management has conducted the affairs of the company.

**For Sastry K. Anandam & Co.
Chartered Accountants
(Firm Registration No. 000179N)**

Place: New Delhi

Dated: 05th May, 2011

**(C.A. ANANDA SASTRY K.)
PARTNER F.C.A.
Membership No. 9980**



AUDITORS' REPORT

The Members

1. We have audited the attached Balance Sheet of **SURYA ROSHNI LIMITED** as at 31st March, 2011 the related Profit and Loss Account and the Cash Flow Statement for the year ended on that date annexed thereto. These financial statements are the responsibility of the Company's Management. Our responsibility is to express an opinion on these financial statements based on our Audit.
2. We conducted our audit in accordance with Auditing Standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditors' Report) Order, 2003 as amended by the Companies (Auditors' Report) (Amendment) Order, 2004 issued by the Central Government of India in terms of Sub Section (4A) of Section 227 of the Companies Act, 1956 and on the basis of such checks as we considered appropriate and according to the information and explanations given to us, we enclose in the Annexure hereto a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:
 - (i) We have obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (ii) In our opinion, proper books of account, as required by law have been kept by the Company so far as appears from our examination of those books.
 - (iii) The Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
 - (iv) In our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report Comply with the mandatory Accounting Standards referred in Sub Section (3C) of Section 211 of the Companies Act, 1956.
 - (v) On the basis of written representations received from the directors as on 31st March, 2011, and taken on record by the Board of Directors, we report that none of the directors is disqualified as on 31st March, 2011 from being appointed as a director in terms of clause (g) of sub-section (1) of Section 274 of the Companies Act, 1956.
 - (vi) In our opinion and to the best of our information and according to the explanations given to us, the said financial statements read together with the Significant Accounting Policies and other notes thereon give the information required by the Companies Act, 1956 in the manner so required, and present a true and fair view, in conformity with the accounting principles generally accepted in India :
 - a) in so far as it relates to Balance Sheet, of the State of affairs of the Company as at 31st March, 2011;
 - b) in so far as it relates to Profit and Loss Account, of Profit of the Company for the year ended on that date ; and

- c) in so far as it relates to the Cash Flow Statement, of the Cash Flows for the year ended on that date.

For Sastry K. Anandam & Co.
Chartered Accountants
(Firm Registration No. 000179N)

(C.A. ANANDA SASTRY K.)

PARTNER F.C.A.

Membership No. 9980

Place : **New Delhi**

Date : **5th May, 2011**

ANNEXURE TO THE AUDITORS' REPORT **(Year ended 31-3-2011)**

Referred to in paragraph 3 of our report of even date

1. In respect of its fixed assets:
 - a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
 - b) The Company has a programme of physical verification on a rotational basis, which, in our opinion, is reasonable having regard to the size of the Company and the nature of its business. Accordingly, certain fixed assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification.
 - c) There was no substantial disposal of fixed assets during the year.
2. In respect of its inventories :
 - a) The Management has conducted physical verification of inventory at reasonable intervals during the year.
 - b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
 - c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
3. In respect of loans, secured or unsecured, granted or taken by the Company to/from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956:
 - a) The Company has not granted any loans, secured or unsecured to Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - b) Since the Company has not granted any loans, the Clause (b), (c), (d) relating to the rate of interest, receipt of Principal amount, overdue amount does not apply.
 - c) The Company has not taken any loans, secured or unsecured from Companies, firms or other parties covered in the register maintained under Section 301 of the Companies Act, 1956.
 - d) Since the Company has not taken any loans, the Clause relating to the rate of interest, payment of Principal amount, overdue amount does not apply.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control commensurate with the size of the Company and the nature of its business for the purchase of inventory, fixed assets and for the sale of goods and services. During the course of our audit, we have not observed any continuing failure to correct major weaknesses in internal controls system of the Company.
5. In respect of transactions covered under Section 301 of the Companies Act, 1956:

- a) According to the information and explanations provided by the management, we are of the opinion that the particulars of contracts or arrangements referred to in section 301 of the Act that need to be entered into the register maintained under section 301 have been so entered.
- b) In our opinion and according to the information and explanations given to us, the transactions made in pursuance of such contracts or arrangements exceeding the value of Rupees Five lakhs have been entered into during the financial year at prices which are reasonable having regard to the prevailing market prices at the relevant time.
6. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 with regard to the deposits accepted from the public. Since the Company has not defaulted in repayments of deposits, compliance of Section 58AA. No order has been passed by the Company Law Board, National Company Law Tribunal or Reserve Bank of India.
7. In our opinion, the internal audit system of the Company is commensurate with its size and nature of its business.
8. We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the Company Pursuant to the Rules made by the Central Government for the maintenance of Cost Records under Section 209(1)(d) of the Companies Act, 1956 and we are of the opinion, that prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the records.
9. In respect of statutory dues :
 - i) the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, employees state insurance, Income Tax, Sales/VAT Tax, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess and other material statutory dues applicable to it.
 - ii) According to the information and explanations given to us, no undisputed amounts payable in respect of Income Tax, Wealth Tax, Sales/VAT Tax, Custom Duty, Excise Duty and Cess were in arrears as at 31st March, 2011 for a period of more than six months from the date they became payable.
 - iii) The disputed statutory dues aggregating to Rs.2,83,16,041/- that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl. No.	Name of the Statute	Nature of . Dues	Forum where dispute is pending	Amount in (Rs.)
1.	Central Excise Act, 1944	Excise Duty	CESTAT	1,33,93,777
2.	Employees State Insurance Act, 1966	Employees State Insurance Calculation	High Court	53,85,264
3.	UPSEB	UPSEB Acts	High Court	41,27,000
4.	Sales Tax/VAT Acts	Taxes	Upto Commissioner Level High Court	30,42,000 23,68,000
			Total	2,83,16,041

10. The Company has no accumulated losses and has not incurred any cash losses during the financial year covered by our audit or in the immediately preceding financial year.
11. Based on our audit procedures and according to the information and explanations given to us, we are of the opinion that the Company has not defaulted in repayment of dues to financial institutions, banks or debenture holders.
12. In our opinion and according to the information and explanations given to us, no loans and advances have been granted by the Company on the basis of security by way of pledge of shares, debentures and other investments.
13. In our opinion, the Company is not a chit fund or a nidhi/mutual benefit fund/ society. Therefore, clause 4(xiii) of the Companies (Auditor's Report) Order 2003 is not applicable to the Company.
14. In our opinion, the Company is not dealing in or trading in Shares, securities, debentures and other investments. Accordingly, the Provisions of Clause 4 (xiv) of the Companies (Auditors' Report) Order, 2003 are not applicable to the Company
15. The Company has given guarantees to the extent of Rs.135 crores to the Bank(s) on account of Term Loans taken by the Subsidiary Company in pursuant to resolution under section 372A of the Companies Act, 1956.
16. In our opinion, the term loans have been applied for the purposes for which they were raised.
17. According to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, we report that no funds raised on short term basis have been used for long term investments. No long term funds have been used to finance short term assets except permanent working capital.
18. The Company has outstanding 45,70,000 Optionally Convertible Equity Warrants (Series I) as on 31st March, 2010. The Company has further issued the Preferential allotment of 1,14,30,000 Optionally Convertible Equity Warrants (Series II) to Promoters Group at a price of Rs.83/- which includes a premium of Rs.73/- per share and 54,75,000 Optionally Convertible Equity Warrants (Series III) to Promoters Group at a price of Rs.111/- which includes a premium of Rs.101/- per share calculated on the relevant date, in accordance with the SEBI (Issues of Capital & Disclosure Requirements) Regulations, 2009 and furthermore 45,70,000 outstanding Optionally Convertible Equity Warrants (Series I) and 1,14,30,000 Warrants (Series II) were converted into Equity Shares of Rs.10/- each fully paid and entire 54,75,000 Optionally Convertible Equity Warrants (Series III) are still outstanding for conversion as on date of Balance Sheet.
19. The Company has no debentures as at 31st March, 2011.
20. The Company has not raised any money by way of public issue during the year.
21. In our opinion and according to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year, that causes the financial statements to be materially misstated.

for SASTRY K. ANANDAM & CO.
CHARTERED ACCOUNTANTS
(Firm Registration No.000179N)

(CA. ANANDA SASTRY K.)
PARTNER F.C.A.
Membership No.9980

Place : **New Delhi**
 Date : **5th May, 2011**

**Balance Sheet as at 31st March , 2011**

Particulars	Schedule No.	As at 31st March, 2011 (Rs.)	As at 31st March, 2010 (Rs.)
SOURCES OF FUNDS			
SHAREHOLDER'S FUND			
Share Capital	1	61,45,63,750	37,00,40,000
Reserve & Surplus	2	5,70,09,31,583	2,20,04,31,716
LOAN FUNDS			
Secured Loans	3		
{ Term Loans		3,13,67,24,869	2,77,93,46,419
{ Working Capital Loans		3,23,68,22,573	2,96,03,16,289
Unsecured Loans	4	1,23,14,08,279	89,62,75,773
DEFERRED TAX LIABILITIES (NET)		53,79,43,480	55,81,15,708
TOTAL		14,45,83,94,534	9,76,45,25,905
APPLICATION OF FUNDS			
FIXED ASSETS :			
Gross Block	5	11,88,49,46,858	8,29,00,52,288
Less : Depreciation		4,13,94,90,549	3,68,91,73,135
Net Block		7,74,54,56,309	4,60,08,79,153
Capital Work in Progress		32,22,07,190	48,28,13,412
INVESTMENTS	6	50,22,45,000	50,17,00,000
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	3,57,89,26,840	2,81,37,70,590
Sundry Debtors	8	2,69,92,48,132	1,79,06,79,737
Cash & Bank Balances	9	20,22,34,301	10,03,00,730
Loans & Advances	10	47,91,25,508	27,91,30,839
		6,95,95,34,781	4,98,38,81,896
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	11	86,81,66,976	63,14,78,724
Provisions	12	20,28,81,770	17,32,69,832
		1,07,10,48,746	80,47,48,556
NET CURRENT ASSETS		5,88,84,86,035	4,17,91,33,340
TOTAL		14,45,83,94,534	9,76,45,25,905
Significant Accounting Policies and Notes on Accounts	21		

The Schedules referred to above and notes on accounts thereon form an integral part of Balance Sheet.
As per our attached report of even date

For **SASTRY K. ANANDAM & CO.**
Chartered Accountants
Firm No.00179N

J P Agarwal
Chairman and
Managing Director

S N Bansal
Dy. Managing Director

T S Bhattacharya

Ravinder K Narang

Arvind Bansal
Dy. Managing Director & CFO

Raju Bista
Dy. Managing Director

K K Narula

U K Mukhopadhyay

CA ANANDA SASTRY K.
Partner FCA
Membership no. 9980

Vineet K Garg
Dy. Managing Director

B B Singal
Associate Vice President
& Company Secretary

B B Chadha

Place : New Delhi
Dated : 5th May , 2011

Directors

**Profit & Loss Account for the year ended 31st March , 2011**

Particulars	Schedule No.	Year Ended 31st March, 2011 (Rs.)	Year Ended 31st March, 2010 (Rs.)
INCOME			
Sales	13	24,41,81,74,414	19,38,92,58,487
Less : Internal consumption		74,40,55,114	41,51,15,690
		23,67,41,19,300	18,97,41,42,797
Less : Excise duty on sales		1,47,03,02,003	1,02,10,48,440
		22,20,38,17,297	17,95,30,94,357
Other Income	14	1,43,42,153	86,49,289
Accretion/(Decretion) to Stock	15	71,73,21,639	49,49,15,551
TOTAL		22,93,54,81,089	18,45,66,59,197
EXPENDITURE			
Raw Material Consumed		16,41,53,02,353	13,46,37,36,678
Less : Internal Consumption		69,88,94,757	40,26,37,189
		15,71,64,07,596	13,06,10,99,489
Purchase for Resale		1,09,43,58,268	67,78,10,455
Packing Material Consumed		34,65,83,501	27,27,83,654
Manufacturing Expenses	16	98,82,06,497	81,33,40,766
Employees Remuneration & Benefits	17	1,15,91,11,825	89,08,83,943
Selling Expenses	18	1,50,34,34,482	1,18,11,12,552
Interest	19	60,53,95,799	48,71,43,215
Other Expenses	20	30,80,94,474	26,39,83,882
Depreciation		51,28,63,069	27,14,29,336
Less: Transferred from Capital Reserve on Revaluation of Fixed Assets		5,01,226	5,01,226
		51,23,61,843	27,09,28,110
TOTAL		22,23,39,54,285	17,91,90,86,066
PROFIT/(LOSS) BEFORE TAX FOR THE YEAR		70,15,26,804	53,75,73,131
Provision for Tax			
-Current Tax		14,35,96,098	9,54,02,492
-Deferred		(2,01,72,228)	5,16,49,459
-Minimum Alternate Tax Credit Adjustment		(8,92,52,949)	(6,12,03,250)
PROFIT/(LOSS) AFTER TAX		66,73,55,883	45,17,24,429
Surplus brought forward from previous year		1,54,44,17,277	1,21,76,00,193
AVAILABLE FOR APPROPRIATIONS			
Proposed Equity Dividend		6,57,46,875	5,56,62,500
Tax on Dividend		1,06,65,787	92,44,845
Transfer to General Reserve		7,00,00,000	6,00,00,000
Balance carried to Balance Sheet		2,06,53,60,498	1,54,44,17,277
Earning per Equity Share - Basic & Diluted		19.13	16.23
Significant Accounting Policies and Notes on Accounts	21		

The Schedules referred to above and notes on accounts thereon form an integral part of Profit & Loss Account.
As per our attached report of even date

For **SASTRY K. ANANDAM & CO.**
Chartered Accountants
Firm No.00179N

J P Agarwal
Chairman and
Managing Director

S N Bansal
Dy. Managing Director

T S Bhattacharya

Ravinder K Narang

CA ANANDA SASTRY K.
Partner **FCA**
Membership no. 9980

Arvind Bansal
Dy. Managing Director & CFO

Raju Bista
Dy. Managing Director

K K Narula

Directors

Place : New Delhi
Dated : 5th May , 2011

Vineet K Garg
Dy. Managing Director

B B Singal
Associate Vice President
& Company Secretary

U K Mukhopadhyay

B B Chadha

**Schedules to the Balance Sheet**

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised :		
4,98,00,000 Equity Shares of Rs.10/- each	49,80,00,000	49,80,00,000
6,20,000 Preference Shares of Rs.100/- each	6,20,00,000	6,20,00,000
	56,00,00,000	56,00,00,000
Issued, Subscribed and Paid up :		
4,38,31,250 (Previous Year - 2,78,31,250) Equity Shares of Rs. 10/- each fully paid-up	43,83,12,500	27,83,12,500
(Of the above shares 3,00,000 Equity shares of Rs.10/- each allotted as fully paid up Bonus shares by capitalisation of General Reserve during 1980-81, 86,47,500 Equity shares of Rs.10/- each during 1994-95 and 22,38,750 Equity shares of Rs. 10/- each during 1995-96 by capitalisation of securities premium account.)		
Forfeiture Reserve		
Forfeiture of 38,00,000 (Previous Year 38,00,000)	2,43,20,000	2,43,20,000
Optionally Convertible Equity Warrants of Rs 64/- each Rs. 6.40 paid up		
NIL (Previous Year -45,70,000) Optionally Convertible Equity Warrants Series - I of Rs. 59/- each , Rs. 14.75/- paid-up (Since converted)		6,74,07,500
54,75,000 (Previous Year- NIL) Optionally Convertible Equity Warrants Series - III of Rs. 111/- each , Rs. 27.75/- paid-up (Option to be exercised on or before 29th May, 2012)	15,19,31,250	-
Refer Note No. 6		
Total	61,45,63,750	37,00,40,000

SCHEDULE 2**RESERVES AND SURPLUS**

	As at 31.03.2010	Addition	Deduction	As at 31.03.2011	As at 31.03.2010
Capital Reserve					
- Capital subsidy	50,00,000	-	-	50,00,000	50,00,000
- on revaluation of Fixed Assets*	97,17,234	1,85,17,37,873	5,01,226	1,86,09,53,881	97,17,234
Capital Redemption Reserve	3,00,00,000	-	-	3,00,00,000	3,00,00,000
Securities Premium	35,11,99,175	1,05,83,20,000	-	1,40,95,19,175	35,11,99,175
General Reserve	26,00,98,030	7,00,00,000	-	33,00,98,030	26,00,98,030
	65,60,14,439	2,98,00,57,873	5,01,226	3,63,55,71,086	65,60,14,439
Profit & Loss Account				2,06,53,60,498	1,54,44,17,277
*Refer Note No.4				5,70,09,31,583	2,20,04,31,716

SCHEDULE 3**SECURED LOANS****Term Loans**

From Financial Institutions	14,36,28,402	8,88,06,721
From Banks	2,99,30,96,467	2,69,05,39,698
Working Capital Loans from Banks	3,23,68,22,573	2,96,03,16,289
	6,37,35,47,442	5,73,96,62,708

Notes :

- 1) Term Loans from Banks and financial Institutions secured by deposit of title deeds relating to immovable assets of the company and further secured by hypothecation of all company's movable assets.
- 2) Working Capital Loans from Banks are secured against hypothecation of present and future stock of raw material, stock in process, finished goods, spare and stores, book debts etc., guaranteed by Managing Director of the company and further secured by way of second charge on the company's Fixed Assets.

SCHEDULE 4**UNSECURED LOANS**

Fixed deposits from Public	61,62,57,000	48,58,59,000
From Financial Institutions and Banks	49,96,80,722	29,99,90,195
Deposit from Companies	7,00,00,000	7,00,00,000
Trade Deposit & Others	4,54,70,557	4,04,26,578
Total	1,23,14,08,279	89,62,75,773

Schedules to the Balance Sheet / Profit & Loss Account

SCHEDULE 5

(Amt. in Rs.)

FIXED ASSETS

PARTICULARS	G R O S S			B L O C K		D E P R E C I A T I O N			N E T B L O C K	
	AS AT 01.04.2010	ADDITIONS	SALES/ADJ	AS AT 31.03.2011	UP TO 31.03.2010	FOR THE YEAR	SALES/ADJ	UP TO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010
Land & Site Development	20,90,80,713	1,87,63,59,029*	45,52,718	2,08,08,87,024	-	-	-	-	2,08,08,87,024	20,90,80,713
Building	94,55,42,665	46,77,50,851	-	1,41,32,93,516	26,54,53,251	3,04,05,556#	-	29,58,58,807	1,11,74,34,709	68,00,89,414
Plant & Machinery	6,85,70,74,523	1,24,12,87,916	7,23,03,304	8,02,60,59,135	3,25,48,74,829	45,86,47,360#	5,90,26,187	3,65,44,96,002	4,37,15,63,133	3,60,21,99,694
Furniture & Fixtures	3,52,91,196	1,61,57,406	2,000	5,14,46,602	2,29,33,939	25,14,408	1,000	2,54,47,347	2,59,99,255	1,23,57,257
Vehicles	10,66,24,910	2,44,14,962	72,11,675	12,38,28,197	4,98,19,301	99,43,958	33,13,933	5,64,49,326	6,73,78,871	5,68,05,609
Office Equipments	10,23,58,273	5,21,50,322	2,61,636	15,42,46,959	7,19,69,877	1,04,09,048	1,88,494	8,21,90,431	7,20,56,528	3,03,88,396
Airconditioners & Coolers	1,55,54,488	11,47,295	41,878	1,66,59,905	72,38,765	7,85,715	16,041	80,08,439	86,51,466	83,15,723
Miscellaneous Assets	34,69,955	-	-	34,69,955	18,27,608	1,57,024	-	19,84,632	14,85,323	16,42,347
Temporary Erections	1,50,55,565	-	-	1,50,55,565	1,50,55,565	-	-	1,50,55,565	-	-
TOTAL	8,29,00,52,288	3,67,92,67,781	8,43,73,211	11,88,49,46,858	3,68,91,73,135	51,28,63,069	6,25,45,655	4,13,94,90,549	7,74,54,56,309	4,60,08,79,153
Previous Year	6,82,68,12,374	1,51,85,97,098	5,53,57,184	8,29,00,52,288	3,44,01,01,669	27,14,29,336	2,23,57,870	3,68,91,73,135	4,60,08,79,153	3,38,67,10,705

* Revalued during the current year amounting to Rs. 1,85,17,37,873 (Previous Year Rs. NIL) Refer Note No. 4

Includes depreciation on revalued cost of assets amounting to Rs. 5,01,226/- (Previous Year Rs. 5,01,226/-)

**Schedules to the Balance Sheet**

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
<u>SCHEDULE 6</u>		
INVESTMENTS (AT COST)		
Non Trade		
Unquoted		
Long Term		
50,000 (Previous Year -50,000)Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Global Steel & Gen Power Limited	5,00,000	5,00,000
70,000 (Previous Year -50,000)Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Global Cement Limited	7,00,000	5,00,000
50,000 (Previous Year -50,000)Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Global Infrastructure Limited	5,00,000	5,00,000
5,000 (Previous Year -5,000)Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Roadlink and Infra Limited	50,000	50,000
5,000 (Previous Year -5,000)Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Vijay Nagar Steel & Power Limited	50,000	50,000
5,000 (Previous Year -5,000)Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Chhatisgarh Power Limited	50,000	50,000
5,000 (Previous Year -5,000)Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Gujarat Power Limited	50,000	50,000
5,000 (Previous Year -NIL)Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Vijay Nagar Cement Limited	50,000	-
5,000 (Previous Year -NIL)Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Chattisgarh Steel and Power Limited	50,000	-
24,500 (Previous Year -NIL)Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Shimoga Lighting Limited	2,45,000	-
In Subsidiary Company		
5,00,00,000(Previous Year - 5,00,00,000)Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Global Steel Tubes Limited	50,00,00,000	50,00,00,000
Total	50,22,45,000	50,17,00,000
Book Value of Quoted Investments Rs NIL (Previous Year - NIL)		
Market Value of Quoted Investments Rs. NIL (Previous Year - NIL)		

SCHEDULE 7**STOCK (as certified by the Management)**

Stores and spare parts ,etc (at cost on FIFO Basis)	23,07,23,073	23,37,06,448
Raw Materials (at cost on FIFO basis)	89,18,78,993	77,17,72,953
Scrap and salvage (at realisable value)	3,02,27,956	4,69,02,341
Semi -finished goods (at cost or net realisable value, whichever is less)	36,10,05,420	52,98,28,795
Finished goods (at cost or net realisable value, whichever is less)	2,06,50,91,398	1,16,22,71,999
Real Estate Division (WIP) (at cost or net realisable value, whichever is less) (Since transferred to Capital WIP)	-	6,92,88,054
Total	3,57,89,26,840	2,81,37,70,590

**Schedules to the Balance Sheet**

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
<u>SCHEDULE 8</u>		
SUNDRY DEBTORS (unsecured , considered good)		
Debts outstanding for a period exceeding six months	54,00,686	39,88,110
Other debts	2,69,38,47,446	1,78,66,91,627
Total	2,69,92,48,132	1,79,06,79,737
<u>SCHEDULE 9</u>		
CASH AND BANK BALANCE		
Cash on hand	79,40,316	47,43,366
Cheques/Drafts/TTs in hand/ in transit	8,04,28,861	7,17,28,566
Balance with Scheduled Banks in :		
- Current Account	8,32,70,696	45,46,040
- Fixed Deposits	2,69,93,284	1,60,38,387
- Unpaid Dividend Accounts	36,01,144	32,44,371
	20,22,34,301	10,03,00,730
<u>SCHEDULE 10</u>		
LOANS AND ADVANCES (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received *	40,24,53,390	21,98,98,015
Security Deposits	5,07,58,094	4,64,10,667
Earnest Money Deposits	41,69,609	63,15,267
Claims Recoverable/Receivable	2,17,44,415	65,06,890
Total	47,91,25,508	27,91,30,839
* includes receivables from Subsidiary Rs. 39,72,165/- (Previous Year Rs. 3,75,23,293/-)		
<u>SCHEDULE 11</u>		
CURRENT LIABILITIES		
<i>Sundry Creditors</i>		
-Due to Micro and Small Enterprises	4,77,14,901	2,44,16,741
-Others	41,28,80,036	34,60,58,699
Other Liabilities	34,05,46,212	22,85,06,929
Interest accrued but not due	6,70,25,827	3,24,96,355
Total	86,81,66,976	63,14,78,724
<u>SCHEDULE 12</u>		
PROVISIONS		
Proposed Equity Dividend	6,57,46,875	5,56,62,500
Tax on Dividend	1,06,65,787	92,44,845
Provision for gratuity *	10,11,25,128	8,60,66,095
Provision for Leave Encashment *	2,53,43,980	2,22,96,392
	20,28,81,770	17,32,69,832
* Refer Note No. 7		

**Schedules to the Profit & Loss Account**

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
<u>SCHEDULE 13</u>		
SALES		
Inland (net of return)	21,66,45,42,553	16,93,46,88,483
Export*	2,75,36,31,861	2,45,45,70,004
	24,41,81,74,414	19,38,92,58,487
Less : Internal consumptions of components	74,40,55,114	41,51,15,690
Total	23,67,41,19,300	18,97,41,42,797

*Export Includes Export Benefits of Rs. 10,18,75,099 (Prev. Yr. Rs. 15,98,84,410)

SCHEDULE 14**OTHER INCOME**

Rent	24,000	24,000
Interest (TDS Rs. 3,08,590)	35,37,023	20,17,083
Miscellaneous Income	1,00,29,559	18,20,142
Profit on Sale of Fixed Assets	7,51,571	47,88,064
	1,43,42,153	86,49,289

SCHEDULE 15**ACCRETION/DECRETION TO STOCK****Stock as at 1st April**

Finished Goods	1,16,22,71,999	97,12,75,374
Semi Finished Goods	52,98,28,796	25,30,51,155
Scrap	4,69,02,341	2,19,46,020
Real Estate Division (WIP)	6,92,88,054	6,71,03,090
Trfd to Capital WIP during the year	(6,92,88,054)	-
	1,73,90,03,136	1,31,33,75,639

Stock as at 31st March

Finished Goods	2,06,50,91,398	1,16,22,71,999
Semi Finished Goods	36,10,05,421	52,98,28,796
Scrap	3,02,27,956	4,69,02,341
Real Estate Division (WIP) (since trfd to Capital WIP)	-	6,92,88,054
	2,45,63,24,775	1,80,82,91,190
	71,73,21,639	49,49,15,551

Accretion/(Decretion) to Stock**SCHEDULE 16****MANUFACTURING EXPENSES**

Stores and spares consumed	17,64,36,672	16,25,89,586
Power and fuel	42,51,66,119	37,70,68,781
Water charges	60,03,520	33,89,854
Repairs to :		
Machinery	1,36,44,301	1,29,02,235
Building	90,07,018	82,96,930
Others	41,76,810	43,90,610
	2,68,28,129	2,55,89,775
Miscellaneous manufacturing expenses	35,59,63,758	23,04,89,391
Excise Duty	(21,91,701)	1,42,13,379
Total	98,82,06,497	81,33,40,766

SCHEDULE 17**EMPLOYEES REMUNERATION AND BENEFITS**

Salaries, wages and allowances including bonus and gratuity	98,11,44,016	75,51,18,113
Employers contribution to PF, ESI and administrative charges	8,80,48,061	6,55,75,306
Staff Welfare Expenses	6,00,49,019	4,72,53,770
Remuneration to Managerial Personnel *	2,57,66,200	1,38,26,367
Staff Recruitment and Training Expenses	41,04,529	91,10,387
Total	1,15,91,11,825	89,08,83,943

* Refer Note No. 14

**Schedules to the Profit & Loss Account**

	For the year ended 31st March, 2011 Rs.	For the year ended 31st March, 2010 Rs.
<u>SCHEDULE 18</u>		
SELLING EXPENSES		
Carriage Outward	64,24,28,182	50,76,86,350
Commission\Service Charges on sale	6,82,80,766	6,43,15,566
Discounts	34,48,98,786	20,30,98,749
Advertisement	9,97,27,603	11,16,68,541
Claims for defective	22,62,63,991	16,31,72,020
Others	12,18,35,154	13,11,71,326
Total	1,50,34,34,482	1,18,11,12,552
<u>SCHEDULE 19</u>		
INTEREST		
Term Loans and Fixed Deposits	35,63,74,140	27,59,88,803
Other Interest & Financial Charges	24,90,21,659	21,11,54,412
Total	60,53,95,799	48,71,43,215
<u>SCHEDULE 20</u>		
OTHER EXPENSES		
Rent	3,45,55,505	3,08,01,208
Insurance	71,59,842	46,78,343
Rates & Taxes	8,93,805	15,81,881
Postage, Telegraph, Telephone and Telex	1,95,70,370	1,98,64,760
Printing and Stationery	1,48,84,400	1,06,24,270
Travelling & Conveyance	8,75,52,736	7,57,13,620
Cost Auditors' Remuneration :		
-Fee	2,20,000	1,85,000
-Expenses	8,000	15,140
Miscellaneous Expenses	9,57,74,472	7,96,42,651
Loss on sale of fixed assets	3,32,332	11,83,851
Sales Tax /Entry Tax Paid	3,99,01,500	3,24,07,291
	30,08,52,962	25,66,98,015
Directors' Expenses		
Sitting Fees	12,45,000	9,60,000
Travelling & Conveyance	45,62,248	53,51,230
Meeting Expenses	25,302	35,256
Foreign Travelling	2,32,524	2,57,905
	60,65,074	66,04,391
Statutory Auditors' Remuneration		
Statutory Audit Fees	6,40,600	4,75,000
Income Tax Audit Fees	80,000	1,25,000
Auditors' Expenses	1,11,079	24,162
Management Fees for certificates/reports	3,44,759	57,314
	11,76,438	6,81,476
Total	30,80,94,474	26,39,83,882

**SCHEDULE 21****A. SIGNIFICANT ACCOUNTING POLICIES****1. Basis of preparation of Financial Statements**

- (a) The financial statements have been prepared under the historical cost convention in accordance with the generally accepted accounting principles (GAAP) in India and the provisions of the Companies Act, 1956, as adopted consistently by the Company.
- (b) The Company recognises income and expenditure on accrual basis except those of significant uncertainties.

2. Fixed Assets

Fixed Assets are stated at cost net of CENVAT and includes amounts added on revaluation, less accumulated depreciation. All costs, including interest on borrowings attributable to acquisition of Fixed Assets upto the date of commissioning of the assets and net charges on foreign exchange contracts and adjustments arising from exchange rate variations relating to borrowings attributable to the fixed assets are capitalised.

3. Depreciation

- (i) Depreciation on fixed assets is provided on straight line method at the rates and in the manner specified in Schedule XIV to the Companies Act, 1956.
- (ii) Depreciation on additions is being provided on pro rata basis from the date of such additions.
- (iii) Depreciation on assets sold, discarded, disabled or demolished during the year is being provided up to the date in which such assets are sold, discarded, disabled or demolished.
- (iv) Depreciation on additions on account of increase in rupee value due to revaluation of foreign currency loan is being provided at respective rates of depreciation of related assets.

4. Foreign Currency Transactions

- (i) The Monetary items denominated in foreign currency are translated at the exchange rate prevailing on the last day of the accounting year where the Company has entered into forward exchange contracts, the difference between the forward rate and the exchange rate at the date of the transaction is recognised in the statement of profit & loss over the life of the contract.
- (ii) Exchange differences arising due to repayment or restatement of monetary items denominated in foreign currency are recognised in Profit & Loss Account.

5. Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

6. Employee Benefits

- i. Contribution to the provident fund with the government at pre-determined rates is a defined contribution scheme and is charged to the Profit and Loss account. There are no other obligations other than contribution to PF Schemes.
- ii. Liabilities in respect of defined benefit plan of Gratuity is determined as per actuarial valuations made by an independent actuary as at the balance sheet date. The actuarial gains or losses are recognised immediately in the profit and loss account. Company has plan assets with Life Insurance Corporation of India and SBI Life Insurance Company Limited.
- iii. Provisions for other long term employee benefits-leave, a defined benefit scheme, is made on the basis of actuarial valuation at the end of each financial year and are charged to the profit and loss account. All actuarial gains or losses are recognised immediately in the profit and loss account.

7. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and the disclosure of contingent liabilities as at the date of the financial statements and reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates. Any revision to accounting estimates is recognised prospectively in current and future periods.

8. Inventories

- (i) Raw material, Stores & Spares are valued at cost on FIFO basis.
- (ii) Finished Goods are valued at cost or net realisable value whichever is lower. Cost includes direct cost and appropriate portion of production overheads.
- (iii) Semi-finished goods are valued at cost or net realisable value whichever is lower.
- (iv) Scrap and Salvage is valued at realisable value.
- (v) Excise duty is included in value of finished goods.

9. Revenue Recognition

Sale of goods are recognised where significant risk and reward in goods is passed to customers. In case of export sale are recognised on the basis of dates of Mate's Receipts and initially recorded at the relevant exchange rates prevailing on the date of transaction.

10. Taxation

The current charge for income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act including probable adjustments.



The deferred tax for timing differences between the book and tax profits for the year is accounted for using the tax rates and laws that have been enacted or substantively enacted as of the balance sheet date. Deferred tax assets arising from timing differences are recognised to the extent there is reasonable certainty that the assets can be realised in future. Deferred tax assets are reviewed at each balance sheet date for its realisability.

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated 8th February, 2011 and 21st February, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to the fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

B. NOTES ON ACCOUNTS

1. Contingent liabilities not provided for in respect of :

- Bank Guarantee outstanding Rs. 26,20,59,274 (Previous Year Rs. 41,29,62,403)
- Disputed Excise duties, Sales / VAT taxes liability Rs. 1,88,03,777 (Previous year Rs. 3,21,97,554).
- Bonds executed by the company to custom department against fulfilment of export obligation under 5% EPCG Scheme Rs. 33,25,45,469 (Previous year Rs. 32,08,19,889).
- Disputed ESI liability Rs. 34,55,828 (Previous year Rs. 34,55,828).
- Disputed demand of Uttaranchal Power Corporation Rs. 41,27,000 (Previous year Rs. 41,27,000).
- Corporate Guarantee(s) of Rs. 90 Crores in favour of PNB and Rs. 45 Crores in favour of SBI for providing term loans to Surya Global Steel Tubes Limited, a subsidiary of the Company (Previous Year Rs. 90 Crores and 45 Crores)

2. Estimated amount of contracts remaining to be executed on capital account (less advances) Rs. 2,50,97,765 (Previous year – Rs. 9,30,09,604)

3. Consequent upon opting for Central Excise exemption w.e.f. 02-01-2006 based on Notification No. 50/2003 dated 10-06-2003, cenvat credit of Rs. 1,34,61,135/- was claimed on account of input credits by Kashipur Factory and the same shall be recognised in the year in which the matter will be finally settled by the appropriate authorities.

4. Revaluation Reserve

The land has been revalued as on 31st March, 2011. The book value of the land was Rs. 22,91,49,151 and it has been revalued at Rs. 208,08,87,024 resulting an increase in the book value by Rs. 185,17,37,873 which had been transferred to revaluation reserve.

5. The Company has amounts due to Micro and Small Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act).

Amount Rs.

	As at 31st March, 2011	As at 31st March, 2010
(I) The principal amount and the interest due thereon remaining unpaid to any supplier. Principal Amount : Interest :	4,77,14,901 Nil	2,44,16,741 Nil
(ii) The amount of interest paid by the Company along with the amounts of the payment made to the supplier beyond the appointed day for the year ending.	Nil	Nil
(iii) The amount of interest due and payable for the period of delay in making payment (beyond the appointed day during the year)	Nil	Nil
(iv) The amount of interest accrued and remaining unpaid for the year ending.	Nil	Nil
(v) The amount of further interest remaining due and payable for the earlier years.	Nil	Nil

Note. The information has been given in respect of such suppliers to the extent they could be identified as "Micro and Small" enterprises on the basis of information available with the Company.

6. Company had outstanding 45,70,000 Optionally Convertible Warrants (Series 1) as on 31st March, 2010. Further during the year, consequent to the shareholders' approval in the Extra Ordinary General Meeting, the Company has issued 1,14,30,000 optionally convertible warrants (series 2) on preferential basis of Rs. 10/- each at premium of Rs. 73/- per warrant to Promoter and Promoter Group. For the said 1,14,30,000 warrants, the Company has received the 25% upfront money on 12th July, 2010 amounting to Rs. 23,71,72,500/- Furthermore, 45,70,000 outstanding warrants and 1,14,30,000 warrants have been converted into Equity Shares on 22nd October, 2010, and 75% amount due on allotment of 45,70,000 equity shares amounting to Rs. 20,22,22,500/- and on 1,14,30,000 equity shares amounting to Rs. 71,15,17,500 have been duly received towards 1,60,00,000 equity shares to the applicants of Series 1 and Series 2 respectively.

Further during the year, consequent to the shareholders' approval in the Extra Ordinary General Meeting, the Company has issued 54,75,000 optionally convertible warrants (Series 3) on preferential basis of Rs. 10/- each at premium of Rs. 101/- per warrant to Promoter and Promoter Group. For the said 54,75,000 warrants, the Company has received the 25% upfront money on 30th November, 2010 amounting to Rs. 15,19,31,250/-. The said 54,75,000 warrants are outstanding for conversion into equity shares as on 31st March, 2011.



7. Employee Benefits

Actuarial valuation of Gratuity and Leave encashment have been done with the following assumptions :

	As at 31st March, 2011		As at 31st March, 2010	
Particulars	Gratuity (funded)	Leave Encashment (Unfunded)	Gratuity (funded)	Leave Encashment (Unfunded)
Discount rate	8.0%	7.5%	7.5%	7.5%
Future Salary Increase	3.50%	4.00%	4.00%	4.00%
Rate of return on plan assets	9.25%	N.A.	9.25%	N.A.
Average Working life in Years	20.43	20.13	20.28	20.13
Withdrawal rates for various age groups	1% to 3%	1% to 3%	1% to 3%	1% to 3%

			(Amt. In Rs.)	
Change in the present value of obligation	Gratuity (funded)	Leave Encashment (Unfunded)	Gratuity (funded)	Leave Encashment (Unfunded)
Present value of obligation as at the beginning of the period	14,48,76,031	2,22,96,392	11,41,68,125	1,86,81,469
Interest Cost	1,15,90,082	17,83,711	85,62,609	14,01,110
Past Service Cost	36,11,346	-	-	-
Current Service Cost	1,34,14,126	50,26,832	1,15,13,817	41,20,451
Benefits paid	(55,94,914)	(98,40,274)	(38,74,236)	(62,82,478)
Actuarial (gain)/loss on obligations	(31,46,768)	60,77,319	1,45,05,716	43,75,840
Present value of obligation as at the end of period	16,47,49,903	2,53,43,980	14,48,76,031	2,22,96,392

	As at 31st March, 2011	As at 31st March, 2010
Change in fair value of plan assets	Gratuity (funded)	Gratuity (funded)
Fair value of Plan Assets at the beginning of the period	5,88,09,936	4,82,70,213
Expected Return on plan assets	54,39,919	44,64,995
Contributions	50,00,000	1,00,26,518
Benefits paid	(55,94,914)	(38,74,236)
Actuarial (gain)/loss on plan assets	(30,166)	(77,554)
Fair value of Plan Assets at the end of the period	6,36,24,775	5,88,09,936

Reconciliation of present value of obligation and the fair value of assets	Gratuity (funded)	Gratuity (funded)
Present value of obligation as at end of the period	16,47,49,903	14,48,76,031
Fair value of Plan Assets at the end of the period	6,36,24,775	5,88,09,936
Present value of unfunded obligation as at end of the period	10,11,25,128	8,60,66,095
Unfunded Net Liability recognised in Balance Sheet	10,11,25,128	8,60,66,095

	As at 31st March, 2011		As at 31st March, 2010	
Expenses recognised in the Profit & Loss Account	Gratuity (funded)	Leave Encashment (Unfunded)	Gratuity (funded)	Leave Encashment (Unfunded)
Current Service Cost	1,34,14,126	50,26,832	1,15,13,817	41,20,451
Interest Cost	1,15,90,082	17,83,711	85,62,609	14,01,110
Return on plan assets	(54,39,919)	-	(44,64,995)	-
Net actuarial (gain)/ loss recognized in the period	(31,16,602)	60,77,319	1,45,83,270	43,75,840
Total Expenses recognised in the Profit & Loss Account	1,64,47,687	1,28,87,862	3,01,94,701	98,97,401

8. Earning per Share (Basic & Diluted)

(Amt. In Rs.)

Particulars	This Year (Rs.)	Previous Year (Rs.)
Profit after Tax	66,73,55,883	45,17,24,429
Profit for Equity Shareholders	66,73,55,883	45,17,24,429
Number of Equity Shares (Face Value Rs. 10/- each)	4,38,31,250	2,78,31,250
Weighted Average number of Equity Shares (Face Value Rs. 10/- each)	3,48,88,784	2,78,31,250
Basic & Diluted Earning Per Share (EPS) (Rs.)	19.13	16.23

Note: 54,75,000 Equity Shares to be issued against the conversion of 54,75,000 Optionally Convertible Warrants are fairly priced and are assumed to be neither dilutive nor antidilutive. Hence the same is not considered for computation of diluted earning per share



9. Deferred Tax

As per Accounting Standard (AS - 22) on accounting for Taxes on income issued by the Institute of Chartered Accountants of India, the deferred tax liability as on 31st March, 2011 comprises of the following :

	(Amt. In Rs.)	
Deferred Tax	As on 31st March, 2011	As on 31st March, 2010
(a) Deferred Tax Liability		
1. Related to Fixed Assets	(58,34,89,097)	(59,75,10,606)
(b) Deferred Tax Assets		
1. Gratuity	3,03,80,491	2,53,47,837
2. Leave Encashment	70,85,652	59,67,587
3. Transitional Provision under revised AS-15	80,79,474	80,79,474
Net Deferred Tax Assets / (Liabilities)	(53,79,43,480)	(55,81,15,708)

10. Segment information for the year ended 31st March, 2011 and 31st March, 2010

The company has identified the following three **Primary Business Segments** :

1. Steel - Engaged in the production of Steel Tubes & Pipes and Cold Rolled Strips
2. Lighting - Engaged mainly in the manufacture of different varieties of Lamps & related products
3. Real Estate - Engaged mainly in the development & trade in Real Estate

Secondary Segment reporting has been performed on the basis of Geographical Locations.

Primary Business Segments

Particulars	Lighting	Steel	Real Estate	Total
REVENUE				
External Sales	7,50,20,23,641	16,17,20,95,659	-	23,67,41,19,300
	5,59,89,76,703	13,37,51,66,094	-	18,97,41,42,797
Inter-segment Sales	-	-	-	-
	-	-	-	-
Total	7,50,20,23,641	16,17,20,95,659	-	23,67,41,19,300
	5,59,89,76,703	13,37,51,66,094	-	18,97,41,42,797

RESULT

Segment Result	73,95,15,258	55,30,65,192	-	1,29,25,80,450
(Profit+)/Loss(-) before tax & interest)	59,96,02,944	41,64,64,113	-	1,01,60,67,057
Unallocable Corporate Expenditure				-
				-
Operating Profit				1,29,25,80,450
				1,01,60,67,057
Interest Expenses				60,53,95,799
				48,71,43,215
Other Income				1,43,42,153
				86,49,289
Income Tax				3,41,70,921
				8,58,48,702
Profit from ordinary activities				66,73,55,883
				45,17,24,429
Net Profit after Tax				66,73,55,883
				45,17,24,429

Other Information**Segment Assets**

Net Block	2,83,99,06,869	4,90,55,49,440	-	7,74,54,56,309
	2,56,19,62,419	2,03,89,16,734	-	4,60,08,79,153
Capital Work-in-Progress	9,83,28,168	22,38,79,022	-	32,22,07,190
	6,37,01,795	41,91,11,617	-	48,28,13,412
Investment	2,45,000	50,20,00,000	-	50,22,45,000
	-	50,17,00,000	-	50,17,00,000
Current Assets, Loans and Advances	2,77,31,10,336	4,18,64,24,445	-	6,95,95,34,781
	1,95,07,52,340	2,96,38,41,502	6,92,88,054	4,98,38,81,896
Total Segment Assets	5,71,15,90,373	9,81,78,52,907	-	15,52,94,43,280
	4,57,64,16,554	5,92,35,69,853	6,92,88,054	10,56,92,74,461
Unallocated Corporate Assets				-
				-
Total Assets				15,52,94,43,280
				10,56,92,74,461

Segment Liabilities

Current Liabilities & Provisions	73,98,69,355	33,11,79,391	-	1,07,10,48,746
	55,33,33,592	25,14,14,965	-	80,47,48,556
Total Segment Liabilities	73,98,69,355	33,11,79,391	-	1,07,10,48,746
	55,33,33,592	25,14,14,965	-	80,47,48,556
Unallocated Corporate Liabilities				53,79,43,480
				55,81,15,708
Total Liabilities				1,60,89,92,226
				1,36,28,64,265



Capital Employed	4,97,17,21,018	9,48,66,73,516	-	14,45,83,94,534
(Segment Assets- Segment Liabilities)	4,02,30,82,962	5,67,21,54,888	6,92,88,054	9,76,45,25,905
Loan Fund	3,04,17,50,676	4,56,32,05,045	-	7,60,49,55,721
	2,91,82,09,407	3,71,77,29,074	-	6,63,59,38,481
Capital expenditure				1,66,69,23,686
				1,89,73,68,870
Depreciation	32,20,01,085	19,03,60,758	-	51,23,61,843
	20,09,59,857	6,99,68,253	-	27,09,28,110
Non-cash expenses other than Depreciation	-	-	-	-
	-	-	-	-
Geographic Segment				
India				21,02,23,62,538
				16,67,94,57,203
Outside India				2,65,17,56,762
				2,29,46,85,594

11. Related party disclosures

Related party disclosures as required under Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given hereunder :

A. Relationship :

- Subsidiary Company
 - Surya Global Steel Tubes Ltd.
- Associates
 - Surya Global Steel & Gen Power Limited
 - Surya Global Cement Limited
 - Surya Global Infrastructure Limited
 - Surya Roadlink and Infra Limited
 - Surya Vijay Nagar Steel & Power Limited
 - Surya Vijay Nagar Cement Limited
 - Surya Chhatisgarh Steel & Power Limited
 - Surya Chhatisgarh Power Limited
 - Surya Gujarat Power Limited
 - Surya Shimoga Lighting Limited
 - Surya Manufacturing India Limited
 - Surya Shimoga Steel Pipes Limited
- Key Management Personnel
 - Sh. J.P. Agarwal
- Relatives of the Key Management Personnel

Relation	Sh. J.P. Agarwal
Spouse	Smt. Urmil Agarwal
Son(s)	Sh. Vinay Surya
Daughter(s)	Smt. Padmini & Smt. Bharti
Brother(s)	Sh. V P Agarwal
Sister(s)	Smt. Sudha Gupta
Mother	Smt. Ganga Devi Agarwal
Father	Sh. B D Agarwal

B. Transactions carried out with the related parties in the ordinary course of business :

I) Subsidiary Company : Surya Global Steel Tubes Ltd.

Investment :

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	50,00,00,000	16,05,50,000
Investment made during the year	Nil	33,94,50,000
Total investment at the year end	50,00,00,000	50,00,00,000

Preference Share Application Money

Particulars	Amount (Rs.)	
	This year	Previous year
Total application money at the beginning of the year	Nil	Nil
Application money paid during the year	28,35,00,000	Nil
Less Application money received back	(28,35,00,000)	
Total Application money at the year end	Nil	Nil

Unsecured Loans :

Particulars	Amount (Rs.)	
	This year	Previous year
Total unsecured loan at the beginning of the year	Nil	Nil
Unsecured loan provided during the year	26,00,00,000	Nil
Less Amount received back	(26,00,00,000)	
Total unsecured Loan at the year end	Nil	Nil

Transactions

Particulars	Amount (Rs.)	
	This year	Previous year
Opening Balance	3,75,23,293	Nil
Sale of car	9,57,620	Nil
Sale of Material during the year	4,29,57,489	37,50,222
Sale of Finished goods during the year	7,01,27,891	1,49,17,551
Sale of Fixed Assets during the year	1,39,00,249	2,12,07,798
Sale of DEPB	1,40,68,258	Nil
Sale of Stores Item	8,77,160	Nil
Purchase of RM	28,98,33,883	Nil
Purchase of Store items	9,11,899	Nil
Job Work	2,00,78,495	Nil

ii) Associates
1 Surya Global Steel & Gen Power Ltd.
Investment :

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	5,00,000	50,000
Investment made during the year	Nil	4,50,000
Total investment at the year end	5,00,000	5,00,000

2. Surya Global Cement Ltd.
Investment :

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	5,00,000	50,000
Investment made during the year	2,00,000	4,50,000
Total investment at the year end	7,00,000	5,00,000

3. Surya Global Infrastructure Ltd.
Transaction

Particulars	Amount (Rs.)	
	This year	Previous year
Opening Balance outstanding against P.O	7,46,10,839	Nil
Advance Payment	1,39,75,001	Nil
Amount of New Contracts Awarded	48,93,697	24,66,50,000
Contracts Executed	9,34,79,537	15,80,64,160
Payments Made	7,95,04,536	17,20,39,161
Balance Outstanding	Nil	7,46,10,839

Investment :

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	5,00,000	50,000
Investment made during the year	Nil	4,50,000
Total investment at the year end	5,00,000	5,00,000

4. Surya Roadlink and Infra Ltd
Investment :

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	50,000	50,000
Investment made during the year	Nil	Nil
Total investment at the year end	50,000	50,000

5. Surya VijayNagar Steel & Power Ltd.
Investment :

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	50,000	Nil
Investment made during the year	Nil	50,000
Total investment at the year end	50,000	50,000



6. **Surya VijayNagar Cement Ltd.**

Investment:

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	Nil	Nil
Investment made during the year	50,000	Nil
Total investment at the year end	50,000	Nil

7. **Surya Chhatisgarh Steel & Power Ltd.**

Investment:

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	Nil	Nil
Investment made during the year	50,000	Nil
Total investment at the year end	50,000	Nil

8. **Surya Chhatisgarh Power Ltd.**

Investment:

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	50,000	Nil
Investment made during the year	Nil	50,000
Total investment at the year end	50,000	50,000

9. **Surya Gujarat Power Ltd**

Investment:

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	50,000	Nil
Investment made during the year	Nil	50,000
Total investment at the year end	50,000	50,000

10. **SuryaShimoga Lighting Ltd.**

Investment:

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	Nil	Nil
Investment made during the year	4,00,000	Nil
Sale of investment during the year	1,55,000	Nil
Total investment at the year end	2,45,000	Nil

11. **Surya Manufacturing India Ltd.**

Transactions:

Particulars	Amount (Rs.)	
	This year	Previous year
Opening Balance	Nil	Nil
Sale	7,68,740	Nil
Purchases	9,99,287	Nil
Royalty	3,00,000	Nil
Closing Balance	3,00,000	Nil

iii) **Key Management Personnel & their Relatives :**

Remuneration for the year 2010-2011 :

- Sh. J.P.Agarwal (Chairman & Managing Director) Rs. 1,48,60,200

Sitting Fees for the year 2010-2011

Smt. Urmil Agarwal (Director) Rs.35,000/-

12. **Disclosure of loans / advances and investment as per Clause 32 of the Listing Agreement with the Stock Exchanges :**

Investment :

Equity Shares

Subsidiary	Amount in (Rs.)	
	As on 31st March, 2011	Maximum investment during the year ended 31st March, 2011
Surya Global Steel Tubes Ltd.	50,00,00,000	50,00,00,000



Preference Share :

Amount Rs.

Subsidiary	As on 31st March, 2011	Maximum investment during the year ended 31st March, 2011
Surya Global Steel Tubes Ltd.	NIL	28,35,00,000

Unsecured Loan :

Amount Rs.

Subsidiary	As on 31st March, 2011	Maximum investment during the year ended 31st March, 2011
Surya Global Steel Tubes Ltd.	NIL	26,00,00,000

Amount Rs.

Other Companies	As on 31st March, 2011	Maximum investment during the year ended 31st March, 2011
Surya Global Steel & Genpower Ltd.	5,00,000	NIL
Surya Global Cement Ltd.	7,00,000	2,00,000
Surya Global Infrastructure Ltd.	5,00,000	Nil
Surya Roadlink & Infra Ltd.	50,000	Nil
Surya VijayNagar Steel & Power Ltd.	50,000	Nil
Surya Vijay Nagar Cement Limited	50,000	Nil
Surya Chhatisgarh Steel & Power Limited	50,000	Nil
Surya Gujarat Power Ltd.	50,000	Nil
Surya Chhatisgarh Power Ltd.	50,000	Nil
Surya Shimoga Lighting Ltd.	2,45,000	4,00,000

13. Disclosure of Foreign Exchange Transactions in terms of AS - 11

Amount Rs.

Particulars	This year	Previous Year
i) Exchange rate fluctuation differences included in the net profit/ (loss) for the period.	(1,01,36,509)	(3,58,41,605)
ii) Exchange rate fluctuation differences in respect of forward exchange contracts to be recognised in next year profit & loss Account.	(46,61,273)	(1,05,31,053)

14. Remuneration of Managerial Personnel Paid/payable during the year:

Amount Rs.

Particulars	This Year (Rs.)	Previous Year (Rs.)
Salary & HRA	2,20,51,150	1,19,21,366
Commission	37,15,050	19,05,000
Total	2,57,66,200	1,38,26,366

COMPUTATION OF REMUNERATION OF MANAGERIAL PERSONNEL UNDER SECTION 198 OF THE COMPANIES ACT, 1956

Particulars	This Year (Rs.)	Previous Year (Rs.)
Profit for the year:	70,15,26,804	53,75,73,131
Depreciation	51,23,61,843	27,09,28,110
Add: Loss on sale of Fixed Assets	3,32,332	11,83,851
Remuneration to Managerial Personnel	2,57,66,200	1,38,26,366
	123,99,87,179	82,35,11,458
Less: Profit on sale of fixed assets	7,51,571	47,88,064
Depreciation computed as per Section 350 of the Companies Act, 1956	51,23,61,843	27,09,28,110
	51,31,13,414	27,57,16,174
Net Profit U/ 349 of the Companies Act, 1956	72,68,73,765	54,77,95,284
Remuneration @ 10% per annum	7,26,87,377	5,47,79,528



15. Additional information pursuant to the provisions of paragraph 3 and 4C of Part II of Schedule VI of the Companies Act, 1956

A . CAPACITY AND PRODUCTION	UNIT	LICENCED CAPACITY		*INSTALLED CAPACITY		PRODUCTION	
		As at March 31		As at March 31		As at March 31	
		2011	2010	2011	2010	2011	2010
Steel Products							
Pipes/Tubes	M.T.	N.A.	N.A.	Not Yet Assessed		231803	224311
Cold Rolled Strips/Sheets	M.T.	N.A.	N.A.	Not Yet Assessed		78867	62579
High Mast & Poles	M.T.	N.A.	N.A.	11000	-	1025	-
Lighting Division							
GLS Lamps	Million Nos.	N.A.	N.A.	187.000	187.000	179.319	176.320
Fluorescent Tube Lamps	Million Nos.	N.A.	N.A.	62.800	62.800	50.471	44.197
Tubular Glass Shells	Million Nos.	N.A.	N.A.	90.000	73.000	76.782	72.502
Glass Shells for GLS Lamps	Million Nos.	N.A.	N.A.	576.900	576.900	417.704	459.437
Filament	Million Nos.	N.A.	N.A.	303.000	303.000	291.361	275.713
Cap -GLS Lamps	Million Nos.	N.A.	N.A.	325.000	325.000	277.225	223.761
Lead Glass Tubings	M.T.	N.A.	N.A.	3400.000	3400.000	2962.171	3137.675
HPSV / HPMV Lamps	Nos.	N.A.	N.A.	1800000	1800000	691475	492679
CFL	Million Nos.	N.A.	N.A.	66.000	66.000	37.445	27.621
Tuber	Million Nos.	N.A.	N.A.	66.000	66.000	39.497	30.218
PCB	Million Nos.	N.A.	N.A.	51.600	51.600	19.594	13.421
CFL Shell	M.T.	N.A.	N.A.	5000.000	1000.000	3636.833	606.260
PVC Products							
PVC Pipe	M.T.	N.A.	N.A.	17500.000	17500.000	1260.483	5.482
PVC Fitting	M.T.	N.A.	N.A.	2000.000	-	79.467	-

* as certified by the management

B . TURNOVER	UNIT	This Year		Previous Year	
		QUANTITY	VALUE Rs.	QUANTITY	VALUE Rs.
Pipes/Tubes	M.T.	223440	11,49,63,39,376	225781	10,12,92,52,484
Scrap {	Zinc dross and rejected zinc	669	6,67,24,947	700	6,08,90,267
	Zinc blow and ash	1960	8,45,48,444	1811	6,43,55,623
	Side cutting. Beads etc.	17210	41,77,43,341	15536	33,44,13,554
	Others		1,58,68,686		85,76,308
Cold Rolled Steel Strips/Sheets	M.T.	78783	3,53,63,04,989	61839	2,38,75,69,016
H.R./C.R. Coils	M.T.		48,60,57,304	11937	39,01,08,842
High Mast & Poles	M.T.	986	6,85,08,572	-	-
GLS Lamps	Million Nos.	203.857	1,44,13,06,246	185.453	1,23,03,33,841
Filament	Million Nos.	109.445	5,57,06,276	116.603	5,71,29,425
Fluorescent Tube Lamps	Million Nos.	50.304	1,34,04,22,314	43.273	1,07,54,61,555
Tubular Glass Shells	Million Nos.	21.655	12,69,87,507	32.858	16,23,66,503
Glass Shells for GLS Lamps	Million Nos.	314.715	28,28,61,154	370.269	32,65,87,884
Cap-GLS Lamps	Million Nos.	158.604	12,12,19,660	114.194	8,46,42,930
Tuber	Million Nos.	0.613	64,59,111	0.038	4,90,121
PCB	Million Nos.	11.924	48,51,23,342	6.240	15,60,18,564
Lighting Fitting Complete & Acces.			94,09,70,548		62,08,22,415
HPSV / HPMV Lamps	Nos.	748131	16,80,30,631	501181	11,38,45,105
Compact Fluorescent Lamps	Million Nos.	35.787	3,00,33,66,864	27.290	2,00,31,07,631
Fluorescent Powder	M.T.	-	-	-	-
Lead Glass Tubings	M.T.	2182.394	10,33,47,260	2399.570	11,91,30,969
CFL Shell	M.T.	1965.751	2,29,79,779	1.080	32,490
PVC Pipe	M.T.	899.539	6,64,98,324	5.482	4,14,044
PVC Fittings	M.T.	27.012	20,93,911	-	-
Scrap & Others			7,87,05,827		6,37,08,916
TOTAL			24,41,81,74,414		19,38,92,58,487
Less : Internal Consumption of Components					
Tubular Glass Shells	Million Nos.	0.832	57,04,572	1.471	2,02,52,434
Glass Shells for GLS Lamps	Million Nos.	96.254	7,02,68,548	93.221	6,78,94,903
Filament	Million Nos.	108.681	5,53,62,970	116.405	5,70,30,881
Tuber	Million Nos.	0.612	64,41,852	0.001	20,471
PCB	Million Nos.	11.924	48,51,23,342	6.240	15,60,18,382
Cap-GLS Lamps	Million Nos.	100.004	7,25,40,486	89.873	6,59,72,169
Fluorescent Powder	M.T.	-	-	-	-
Lead Glass Tubings	M.T.	698.819	3,70,37,407	800.910	4,24,48,230
CFL Shell	M.T.	314.715	57,76,957	-	-
Others		-	57,98,980	189.800	54,78,220
TOTAL			74,40,55,114		41,51,15,690
NET			23,67,41,19,300		18,97,41,42,797



C. OPENING STOCK	UNIT	This Year		Previous Year	
		QUANTITY	VALUE Rs.	QUANTITY	VALUE Rs.
Pipes/Tubes	MT	11921	51,75,12,071	13391	50,86,77,146
Cold Rolled Steel Strips/Sheets	MT	1455	5,71,62,068	715	2,62,14,263
GLS Lamps	Million Nos.	7.776	4,58,95,666	7.733	4,89,87,283
Fluorescent Tube Lamps	Million Nos.	3.540	8,88,81,261	2.607	6,89,65,127
Tubular Glass Shells	Million Nos.	1.227	49,63,153	6.713	4,06,25,999
Glass Shells for GLS Lamps	Million Nos.	2.571	21,14,224	9.584	76,08,045
Filament	Million Nos.	12.708	60,79,762	2.955	16,99,216
Caps-GLS Lamps	Million Nos.	5.433	45,40,892	4.110	27,55,725
Tuber	Million Nos.	3.035	3,11,11,732	1.453	1,98,33,362
PCB	Million Nos.	0.503	15,11,964	0.097	24,01,927
HPSV / HPMV Lamps	Nos.	113616	2,26,88,923	122118	2,55,13,628
Compact Fluorescent Lamps	Million Nos.	2.377	17,05,38,953	1.342	11,38,18,843
Lighting Fitting Complete & Acces.			19,34,15,566		8,53,95,132
Lead Glass Tubings	M.T.	315.256	1,33,86,609	337.725	1,81,02,060
Fluorescent Powder	M.T.	-	-	3.360	6,49,118
CFL Shell	M.T.	109.840	24,69,154	1.140	28,500
Others			-		-
TOTAL			1,16,22,71,998		97,12,75,374
Semi-Finished Goods			52,98,28,796		25,30,51,155
Scrap			4,69,02,341		2,19,46,020
Real Estate Division (WIP) trfd to Capital WIP			-		6,71,03,090
Total			1,73,90,03,136		1,31,33,75,639

D. CLOSING STOCK	UNIT	This Year		Previous Year	
		QUANTITY	VALUE Rs.	QUANTITY	VALUE Rs.
Pipes/Tubes	MT	20876	1,07,23,77,595	11921	51,75,12,071
Cold Rolled Steel Strips/Sheets	MT	1539	7,43,94,012	1455	5,71,62,068
High Mast & Poles	MT	77	62,71,295	-	-
GLS Lamps	Million Nos.	5.792	3,83,87,660	7.776	4,58,95,666
Fluorescent Tube Lamps	Million Nos.	3.755	9,05,27,289	3.540	8,88,81,261
Tubular Glass Shells	Million Nos.	2.582	1,08,52,777	1.227	49,63,153
Glass Shells for GLS Lamps	Million Nos.	7.298	75,53,296	2.571	21,14,224
Filament	Million Nos.	6.913	29,31,637	12.708	60,79,762
Caps-GLS Lamps	Million Nos.	6.963	55,59,875	5.433	45,40,892
Tuber	Million Nos.	3.056	3,86,18,598	3.035	3,11,11,732
PCB	Million Nos.	0.296	93,73,358	0.503	15,11,964
Lighting Fitting Complete & Acces.			28,50,89,258		19,23,71,110
HPSV / HPMV Lamps	Nos.	85589	1,85,48,353	113616	2,37,33,379
Compact Fluorescent Lamps	Million Nos.	4.880	36,02,40,202	2.377	17,05,38,953
Lead Glass Tubings	M.T.	185.624	82,67,693	315.256	1,33,86,609
Fluorescent Powder	M.T.	-	-	-	-
PVC PIPE	M.T.	360.944	2,64,73,114		
PVC Fittings	M.T.	52.455	40,48,195		
CFL Shell	M.T.	263.302	55,77,193	109.840	24,69,154
TOTAL			2,06,50,91,398		1,16,22,71,999
Semi-Finished Goods			36,10,05,421		52,98,28,796
Scrap			3,02,27,956		4,69,02,341
Real Estate Division (WIP) trfd to Capital WIP			-		6,92,88,054
Total			2,45,63,24,775		1,80,82,91,190

NOTE : Closing Stock is after excluding the following :

Breakage during handling or distributed as samples :	UNIT	This Year	Previous Year
GLS Lamps	Nos.	2,858	1,136
Fluorescent Tube Lamps	Nos.	1,847	1,169
HPSV / HPMV Lamps	Nos.	371	126
Compact Fluorescent Lamps	Nos.	2,258	-
CFL Shells	Nos.	80	-
GLS Filament	Nos.	2,150	140
Tubular Glass Shells	Nos.	705	4,243
Caps- GLS Lamps	Nos.	4,880	-
Tuber	Nos.	680	-
Glass Shells for GLS Lamps	Nos.	18	-
Lead Glass Tubings	Kgs.	88	15

E. PURCHASE FOR RESALE	UNIT	This Year		Previous Year	
		QUANTITY	VALUE Rs.	QUANTITY	VALUE Rs.
Light Fitting Complete & Accessories			79,48,56,315		50,44,06,919
Fluorescent Tube Lamps	Million Nos.	50,100	16,68,210	-	-
GLS Lamps	Million Nos.	22.558	14,97,53,785	9.174	5,78,45,017
HPSV/HPMV/HPMHL Lamps	Nos.	29,000	53,52,661	-	-
Compact Fluorescent Lamps	Nos.	8,46,847	14,27,27,297	6,96,562	11,55,58,519
Total			1,09,43,58,268		67,78,10,455



F. RAW MATERIAL CONSUMPTION	UNIT	This Year		Previous Year	
		QUANTITY	VALUE Rs.	QUANTITY	VALUE Rs.
Strip/Skelp	M.T.	3,16,874	11,68,23,89,124	3,02,529	9,94,71,48,058
Zinc	M.T.	7,032	77,03,67,021	7,316	77,07,17,173
Sockets			2,45,92,955		3,01,64,794
HR/CR Coil	M.T.	13,742	44,87,41,394	11,965	35,49,15,362
Filaments	Million Nos.	182.780	8,35,26,770	200.739	8,96,58,980
Caps	Million Nos.	209.318	15,81,07,151	739.375	13,74,47,385
Moly Wire	Million Nos.	9.320	2,84,25,737	9.244	2,80,38,798
Lead -In -Wire	Million Nos.	773.051	6,88,44,916	687.864	5,07,27,906
Tubular Glass Shell	Million Nos.	0.740	42,51,174	0.918	48,93,130
Glass Shell for GLS Lamps.	Million Nos.	96.353	7,24,32,522	96.127	7,20,34,724
Arc Tubes	Nos.	632592	4,78,02,005	433283	3,66,13,274
Lead Glass Tubings	M.T.	782.845	4,19,82,888	774.866	4,18,27,852
Soda Ash	M.T.	7393.204	12,52,69,358	6978.588	11,42,02,656
Red Lead	M.T.	23.963	28,19,263	223.651	2,11,34,779
Tungston wire	M.T.	5.802	1,98,26,483	5.689	2,04,68,057
Fluorescent Powder	M.T.	267.283	19,19,37,932	204.505	12,18,20,519
Aluminium Strip	M.T.	592.242	10,80,32,423	485.256	7,82,21,533
Brass Strip	M.T.	39.652	1,33,16,831	34.360	92,67,005
Silica Sand	M.T.	12993.940	1,83,25,216	12267.970	1,72,85,887
PCB	Million Nos.	28.521	87,10,21,794	27.468	62,35,11,551
PVC Resin		1302.550	8,03,97,524		
Others			1,55,28,91,873		89,36,37,257
Total			16,41,53,02,353		13,46,37,36,678
Less : Internal Consumption of Components			69,88,94,757		40,26,37,189
NET			15,71,64,07,596		13,06,10,99,489

16.CIF VALUE OF IMPORTS	This Year	Previous Year
	Rs.	Rs.
Raw materials and purchases for trading	1,41,56,22,869	49,66,92,562
Stores & Spares	3,80,56,291	1,76,95,658
Capital goods	12,61,94,567	44,94,02,762

17.Value of consumption of imported and indige- neous raw material, stores, and spares and its percentage to total consumption	This Year		Previous Year	
	Rs.	%age	Rs.	%age
Raw Materials	1,24,60,99,262	7.93	43,69,77,440	3.35
Indigenous	14,47,03,08,334	92.07	12,62,41,22,049	96.65
Total	15,71,64,07,596	100.00	13,06,10,99,489	100.00
Stores and Spares	2,64,15,826	14.97	2,08,49,073	12.82
Indigenous	15,00,20,846	85.03	14,17,40,513	87.18
Total	17,64,36,672	100.00	16,25,89,586	100.00

18.Earning in foreign exchange on account of Export	This Year	Previous Year
	Rs.	Rs.
FOB Value	2,54,13,18,891	2,19,31,37,342

19.Expenditure in Foreign Currency	This Year	Previous Year
	Rs.	Rs.
a) Royalty & Technical Services (Net of Taxes)	9,13,418	46,57,909
b) others	88,77,421	1,54,94,889

20. Dividend Amount paid to Non Residents

S.No.	Particulars	During the Year Ending March 31	
		2011	2010
I)	Number of non resident Shareholders	114	99
II)	Number of equity shares held by them on which dividend was paid	125924	78119
III)	Year ended to which the dividend related	2009-2010	2008-2009
Iv)	Amount paid	Rs.2,51,848.00	Rs.93,742.80

Note : The Company has paid above said dividend amount only in Indian Currency .

21. (a) Previous year figures have been regrouped and rearranged wherever necessary.
(b) Figures have been rounded off to the nearest rupee.

As per our attached report of even date
For **SASTRY K. ANANDAM & CO.**
Chartered Accountants
Firm No.00179N

J P Agarwal
Chairman and
Managing Director

S N Bansal
Dy. Managing Director

T S Bhattacharya

Ravinder K Narang

Arvind Bansal
Dy. Managing Director & CFO

Raju Bista
Dy. Managing Director

K K Narula

CA ANANDA SASTRY K.
Partner **FCA**
Membership no. 9980

Place : New Delhi
Dated : 5th May , 2011

Vineet K Garg
Dy. Managing Director

B B Singal
Associate Vice President
& Company Secretary

U K Mukhopadhyay

B B Chadha

Directors



STATEMENT PURSUANT TO PART IV OF SCHEDULE VI TO THE COMPANIES ACT, 1956 BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

I. REGISTRATION DETAILS

Registration No. State Code

Balance Sheet Date Date Month Year

II. CAPITAL RAISED DURING THE YEAR (AMOUNT IN RS. THOUSANDS)

Public Issue Rights Issue Bonus Issue Preferential/ Private Placement

III. POSITION OF MOBILISATION AND DEPLOYMENT OF FUNDS (AMOUNT IN RS. THOUSANDS)

Total Liabilities Total Assets

SOURCES OF FUNDS

Paid-Up Capital Reserves & Surplus Deferred Tax Liabilities (Net)

Secured Loans Unsecured Loans

APPLICATION OF FUNDS

Net Fixed Assets Investments Net Current Assets Misc. Expenditure Accumulated Losses

IV. PERFORMANCE OF THE COMPANY (AMOUNT IN RS. THOUSANDS)

Turnover Total Expenditure

+ (-) ☒ Profit/(Loss) Before Tax + (-) ☒ Profit/(Loss) After Tax

Earnings Per Share Basic & Diluted (in Rs.) Dividend Rate (%)

V. GENERIC NAMES OF THREE PRINCIPAL PRODUCTS/SERVICES OF COMPANY (AS PER MONETARY TERMS)

Item Code No. (ITC Code) Product Description

Item Code No. (ITC Code) Product Description

Item Code No. (ITC Code) Product Description

As per our attached report of even date

For **SASTRY K. ANANDAM & CO.**
Chartered Accountants
Firm No.00179N

J P Agarwal
Chairman and
Managing Director

S N Bansal
Dy. Managing Director

T S Bhattacharya

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CA ANANDA SASTRY K.
Partner FCA
Membership no. 9980

Vineet K Garg
Dy. Managing Director

B B Singal
Associate Vice President
& Company Secretary

U K Mukhopadhyay

B B Chadha

Place : New Delhi
Dated : 5th May , 2011



CASH FLOW STATEMENT

	This Year		Previous Year	
	Rs.	Rs.	Rs.	Rs.
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		70,15,26,804		53,75,73,131
Adjustment for :				
Depreciation	51,23,61,843		27,09,28,110	
Interest (Net)	60,18,58,776		48,51,26,132	
Loss/(Profit) on Sale of Fixed Assets	(4,19,239)		(36,04,213)	
Rent Income	(24,000)	1,11,37,77,380	(24,000)	75,24,26,029
Operating Profit before working capital changes		1,81,53,04,184		1,28,99,99,160
Adjustment for :				
Trade & Other Receivables	(1,01,93,10,115)		(30,04,20,565)	
Inventories	(76,51,56,250)		(84,70,17,555)	
Trade Payables	25,47,94,873	(1,52,96,71,492)	27,44,40,998	(87,29,97,122)
Cash Generated from Operations		28,56,32,692		41,70,02,038
Income Tax Paid	(14,35,96,098)		(9,54,02,492)	
Interest Paid	(24,90,21,659)	(39,26,17,757)	(21,11,54,412)	(30,65,56,904)
NET CASH FROM OPERATING ACTIVITIES		(10,69,85,065)		11,04,45,134
B. CASH FLOW FROM INVESTING ACTIVITIES				
Sale/(Purchase) of Investments	(5,45,000)		(34,09,50,000)	
Interest Received	35,37,023		20,17,083	
Purchases of Fixed Assets	(1,82,75,29,908)		(1,51,85,97,098)	
Capital Work in Progress	16,06,06,222		(37,87,71,772)	
Sale/Adjustments of Fixed Assets	2,22,46,795		3,66,03,528	
Rent Received	24,000		24,000	
NET CASH USED IN INVESTING ACTIVITIES		(1,64,16,60,868)		(2,19,96,74,259)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase/(Decrease) Long Term Borrowings	69,25,10,956		1,46,63,38,800	
Increase/(Decrease) Short Term Borrowings	27,65,06,284		76,56,77,521	
Issue/(Redemption) of Share Capital	1,30,28,43,750		17,53,77,500	
Interest on borrowings	(35,63,74,140)		(27,59,88,803)	
Dividend Paid	(6,49,07,345)		(3,65,04,195)	
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		1,85,05,79,505		2,09,49,00,823
Net Increase/(decrease) in cash & cash equivalents		10,19,33,571		56,71,697
Opening Cash & Cash equivalents		10,03,00,730		9,46,29,034
Closing Cash & Cash equivalents		20,22,34,301		10,03,00,730

B B Singal
AVP &
Company Secretary

S N Bansal
Dy. Managing Director

J.P. Agarwal
Chairman and Managing Director

T S Bhattacharya

Ravinder K Narang

Arvind Bansal
Dy. Managing Director & CFO

Vineet Garg
Dy. Managing Director

K K Narula

Directors

U K Mukhopadhyay

Place : New Delhi
Dated : May 5, 2011

Raju Bista
Dy. Managing Director

B B Chadha

AUDITORS' REPORT

We have examined the above Cash Flow Statement of Surya Roshni Limited for the year ended 31st March, 2011. The Statement has been prepared by the Company in accordance with the requirements of listing agreement Clause 32 with Stock Exchanges and is based on and in agreement with the books and records of the Company and also the Profit and Loss Account and Balance Sheet of the Company covered by our report of even date to the members of the Company.

For **SASTRY K. ANANDAM & CO.**
CHARTERED ACCOUNTANTS
Firm No. 00179N

CA. ANANDA SASTRY K.
Partner, F.C.A.
Membership no. 9980

Place : New Delhi
Dated : May 5, 2011

**INTEREST IN SUBSIDIARY COMPANY****STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956**

1.	Name of Subsidiary Company	Surya Global Steel Tubes Limited
2.	Financial Year ending of the Subsidiary	30th September, 2010 (1st October, 2009 to 30th September, 2010)
3.	Shares of the Subsidiary held by Surya Roshni Ltd. on the above date: (a) Number of Shares & face value (b) Extent of Holding	5,00,00,000 Equity Shares of Rs. 10/- each 53.73%
4.	Net aggregate amount of Profit/(Loss) of the subsidiary so far as they concern members of Surya Roshni Ltd.: (a) Dealt with in the accounts of Surya Roshni Ltd. for the year ended 31st March, 2011 (b) Not Dealt with in the accounts of Surya Roshni Ltd. for the year ended 31st March, 2011	NIL Rs. 39,50,215/-
5.	Net aggregate amount of Profit/(Loss) for the previous financial years of the Subsidiary since it became Subsidiary so far as they concern members of Surya Roshni Ltd.: (a) Dealt with in the accounts of Surya Roshni Ltd. for the year ended 31st March, 2011 (b) Not Dealt with in the accounts of Surya Roshni Ltd. for the year ended 31st March, 2011	NIL NIL
6.	Change of interest of Surya Roshni Ltd. in the Subsidiary between the end of the financial year of the Subsidiary and that of Surya Roshni Ltd.:	NIL
7.	Material changes between the end of the financial year of the Subsidiary and the end of the financial year of Surya Roshni Ltd. in respect of Subsidiary's fixed assets, investments, lending and borrowing for the purpose other than meeting than current liabilities	Material Changes during the period in respect of subsidiary's are as follows : Fixed Assets acquired - Rs.80,51,32,971/- Investments sold- Rs. 1,55,000/- Lending - NIL Borrowings (Term Loan & Working Capital) Limits - Rs. 64,99,50,708/- Share Capital Change: NIL
8.	Remarks	NIL

J P Agarwal
Chairman and
Managing Director

S N Bansal
Dy. Managing Director

T S Bhattacharya

Ravinder K Narang

Arvind Bansal
Dy. Managing Director & CFO

Vineet K Garg
Dy. Managing Director

K K Narula

Directors

B B Singal
Associate Vice President
& Company Secretary

Raju Bista
Dy. Managing Director

U K Mukhopadhyay

B B Chadha

Place : New Delhi
Date : 5th May, 2011

**AUDITORS' REPORT ON THE CONSOLIDATED FINANCIAL STATEMENTS****The Board of Directors****Surya Roshni Limited****New Delhi**

We have examined the attached Consolidated Balance Sheet of Surya Roshni Limited and its subsidiary, Surya Global Steel Tubes Ltd. as at March 31, 2011, the Consolidated Profit and Loss Account and the Cash Flow Statement for the year then ended.

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the financial statements based on our audit. We have conducted our audit in accordance with generally accepted auditing standards in India. These Standards require that we plan and perform the audit to obtain reasonable assurance whether the financial statements are prepared, in all material respects, in accordance with an identified financial reporting framework and are free of material misstatements. An audit includes, examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statements. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of subsidiary, whose Audited Financial Statements as at 30th September, 2010 on which date its books of accounts are closed reflect fixed assets of Rs.25645.65 lakhs and net current assets of Rs. 12278.70 lakhs for the accounting year then ended. These financial statements have been audited by other auditor, whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included in respect of the subsidiary, is based solely on the report of the other auditor.

We have been given further a Statement showing significant events and transactions between two reporting dates which are as per Notes No. 3 in

Schedule 21 enclosed with the consolidated Financial Statement.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, Consolidated Financial Statements, issued by the Institute of Chartered Accountants of India and on the basis of the separate audited financial statements of Surya Roshni Limited and its subsidiary included in the consolidated financial statements.

On the basis of the information and explanations given to us and on the consideration of the separate audit reports on individual audited financial statements of Surya Roshni Limited and its subsidiary, read alongwith the enclosed Significant Accounting Policies and Notes to the consolidated Financial Statements in Schedule 21, we are of the opinion that:

- the Consolidated Balance Sheet gives a true and fair view of the consolidated state of affairs of Surya Roshni Limited and its subsidiary as at March 31, 2011;
- the Consolidated Profit and Loss Account gives a true and fair view of the consolidated results of operations of Surya Roshni Limited and its subsidiary for the year then ended; and
- The consolidated Cash Flow Statement gives a true and fair view of the consolidated Cash Flow of the Company and its subsidiary for the year then ended.

for **SASTRY K. ANANDAM & CO.**

CHARTERED ACCOUNTANTS

(Firm Registration No.000179N)

(CA. ANANDA SASTRY K.)

PARTNER F.C.A.

Membership No.9980.

Place : New Delhi

Dated : 5th May, 2011

Consolidated Balance Sheet

Particulars	Schedule No.	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SOURCES OF FUNDS			
SHAREHOLDER'S FUND			
Share Capital	1	61,45,63,750	37,00,40,000
Reserve & Surplus	2	5,70,82,83,328	2,20,04,31,714
LOAN FUNDS			
Secured Loans	3	8,67,03,24,168	6,01,70,81,654
Unsecured Loans	4	1,23,14,08,279	89,62,75,773
DEFERRED TAX LIABILITIES (NET)		54,26,50,393	55,81,15,709
MINORITY INTEREST		44,05,00,000	25,33,14,627
TOTAL		17,20,77,29,918	10,29,52,59,478
APPLICATIONS OF FUNDS			
FIXED ASSETS :	5		
Gross Block		13,43,86,49,228	8,31,54,95,449
Less : Depreciation		4,17,53,09,510	3,68,94,16,198
Net Block		9,26,33,39,718	4,62,60,79,251
Capital Work in Progress		1,36,88,89,186	1,53,70,49,769
INVESTMENTS	6	26,45,000	27,67,00,000
CURRENT ASSETS, LOANS & ADVANCES			
Inventories	7	4,31,27,29,679	2,81,46,11,566
Sundry Debtors	8	2,99,22,55,869	1,78,91,74,338
Cash & Bank Balances	9	29,19,30,036	11,70,66,179
Loans & Advances	10	21,59,11,308	31,19,20,080
		7,81,28,26,892	5,03,27,72,163
LESS : CURRENT LIABILITIES & PROVISIONS			
Current Liabilities	11	1,03,50,74,027	1,00,80,47,829
Provisions	12	20,48,96,851	17,35,72,145
		1,23,99,70,878	1,18,16,19,974
NET CURRENT ASSETS		6,57,28,56,014	3,85,11,52,189
MISCELLANEOUS EXPENDITURE		-	42,78,269
(to the extent not written off or adjusted)			
TOTAL		17,20,77,29,918	10,29,52,59,478
Significant Accounting Policies and Notes on Accounts	21		

The Schedules referred to above and notes on accounts thereon form an integral part of Balance Sheet.

As per our attached report of even date

For **SASTRY K. ANANDAM & CO.**
Chartered Accountants
Firm No.00179N

CA ANANDA SASTRY K.
Partner FCA
Membership no. 9980

Place : New Delhi
Dated : 5th May , 2011

J P Agarwal
Chairman and
Managing Director

Arvind Bansal
Dy. Managing Director & CFO

Vineet K Garg
Dy. Managing Director

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Associate Vice President
& Company Secretary

T S Bhattacharya

Ravinder K Narang

K K Narula

U K Mukhopadhyay

B B Chadha

Directors



Consolidated Profit & Loss Account

Particulars	Schedule No.	Year ended 31st March, 2011 Rs.	Year ended 31st March, 2010 Rs.
INCOME			
Sales	13	25,32,92,34,380	19,38,92,58,487
Less : Internal consumption		74,40,55,114	41,51,15,690
		24,58,51,79,266	18,97,41,42,797
Less : Excise duty recovered on sales		1,48,98,55,564	1,02,10,48,440
		23,09,53,23,702	17,95,30,94,357
Other Income	14	1,89,69,606	86,49,289
Accretion/(Decretion) to Stock	15	95,09,26,540	49,49,15,551
TOTAL		24,06,52,19,848	18,45,66,59,197
EXPENDITURE			
Raw Material Consumed		17,32,18,12,126	13,46,37,36,678
Less : Internal Consumption		69,88,94,757	40,26,37,189
		16,62,29,17,369	13,06,10,99,489
Purchase for Resale		1,09,43,58,268	67,78,10,455
Packing Material Consumed		34,65,83,501	27,27,83,654
Manufacturing Expenses	16	1,01,53,95,699	81,33,40,766
Employees Remuneration & Benefits	17	1,18,74,14,412	89,08,83,943
Selling Expenses	18	1,53,50,28,895	1,18,11,12,552
Interest	19	67,58,22,513	48,71,43,215
Other Expenses	20	32,72,25,628	26,39,83,882
Depreciation		54,73,89,327	27,14,29,336
Less: Transferred from Capital Reserve on Revaluation of Fixed Assets		5,01,226	5,01,226
		54,68,88,101	27,09,28,110
TOTAL		23,35,16,34,386	17,91,90,86,066
PROFIT/(LOSS) BEFORE TAX FOR THE YEAR		71,35,85,462	53,75,73,131
Provision for Tax			
-Current		14,64,01,065	9,54,02,492
-Deferred		(1,54,65,315)	5,16,49,459
-Minimum Alternate Tax Credit Adjustment		(9,20,57,916)	(6,12,03,250)
PROFIT/(LOSS) AFTER TAX		67,47,07,628	45,17,24,429
Surplus brought forward from previous year		1,54,44,17,277	1,21,76,00,193
AVAILABLE FOR APPROPRIATIONS			
Proposed Equity Dividend		6,57,46,875	5,56,62,500
Tax on Dividend		1,06,65,787	92,44,845
Transfer to General Reserve		7,00,00,000	6,00,00,000
Balance carried to Balance Sheet		2,07,27,12,243	1,54,44,17,277
Earning per Equity Share - Basic & Diluted		19.34	16.23
Significant Accounting Policies and Notes on Accounts	21		

The Schedules referred to above and notes on accounts thereon form an integral part of Profit & Loss Account.
As per our attached report of even date

For **SASTRY K. ANANDAM & CO.**
Chartered Accountants
Firm No.00179N

J P Agarwal
Chairman and
Managing Director

S N Bansal
Dy. Managing Director

T S Bhattacharya

Ravinder K Narang

Arvind Bansal
Dy. Managing Director & CFO

Raju Bista
Dy. Managing Director

K K Narula

Directors

CA ANANDA SASTRY K.
Partner FCA
Membership no. 9980

Vineet K Garg
Dy. Managing Director

B B Singal
Associate Vice President
& Company Secretary

U K Mukhopadhyay

B B Chadha

Place : New Delhi
Dated : 5th May , 2011

**Schedules to the Consolidated Balance Sheet**

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 1		
SHARE CAPITAL		
Authorised		
4,98,00,000 Equity Shares of Rs.10/- each	49,80,00,000	49,80,00,000
6,20,000 Preference Shares of Rs.100/- each	6,20,00,000	6,20,00,000
	56,00,00,000	56,00,00,000
Issued, Subscribed and Paid up		
4,38,31,250 (Previous Year - 2,78,31,250) Equity Shares of Rs. 10/- each fully paid-up	43,83,12,500	27,83,12,500
(Of the above shares 3,00,000 Equity shares of Rs.10/- each allotted as fully paid up Bonus shares by capitalisation of General Reserve during 1980-81, 86,47,500 Equity shares of Rs.10/- each during 1994-95 and 22,38,750 Equity shares of Rs. 10/- each during 1995-96 by capitalisation of securities premium account.)		
Forfeiture Reserve		
Forfeiture of 38,00,000 (Previous Year-38,00,000) Optionally Convertible Equity Warrants of Rs 64/- each Rs. 6.40 paid up	2,43,20,000	2,43,20,000
NIL (Previous Year -45,70,000) Optionally Convertible Equity Warrants Series -1 of Rs. 59/- each, Rs. 14.75/- paid-up (Since converted)	-	6,74,07,500
54,75,000 (Previous Year- NIL) Optionally Convertible Equity Warrants Series - III of Rs. 111/- each , Rs. 27.75/- paid-up	15,19,31,250	-
Total	61,45,63,750	37,00,40,000
SCHEDULE 2		
RESERVES AND SURPLUS		
Capital Reserve		
- Capital subsidy	50,00,000	50,00,000
- on revaluation of Fixed Assets	1,86,09,53,881	97,17,234
Capital Redemption Reserve	3,00,00,000	3,00,00,000
Securities Premium	1,40,95,19,175	35,11,99,175
General Reserve	33,00,98,030	26,00,98,030
	3,63,55,71,086	65,60,14,439
Profit & Loss Account		
	2,07,27,12,243	1,54,44,17,277
	5,70,82,83,328	2,20,04,31,715
SCHEDULE 3		
SECURED LOANS		
Term Loans		
From Financial Institutions :	14,36,28,402	8,88,06,721
From Bank	4,59,90,90,961	2,96,79,58,644
Working Capital Loans from Banks	3,92,76,04,805	2,96,03,16,289
	8,67,03,24,168	6,01,70,81,654
Notes :		
1) Term Loans from Banks and financial Institutions secured by deposit of title deeds relating to immovable assets of the company and further secured by hypothecation of all company's movable assets.		
2) Working Capital Loans from Banks are secured against hypothecation of present and future stock of raw material, stock in process, finished goods, spare and stores, book debts etc., guaranteed by managing director of the company and further secured by way of second charge on the company's Fixed Assets.		
SCHEDULE 4		
UNSECURED LOANS		
Fixed deposits From Public	61,62,57,000	48,58,59,000
From Financial Institutions & Banks	49,96,80,722	29,99,90,195
Deposit from Companies	7,00,00,000	7,00,00,000
Trade Deposit & Others	4,54,70,557	4,04,26,578
Total	1,23,14,08,279	89,62,75,773

Schedules to the Consolidated Balance Sheet
SCHEDULE 5

(Amt. in Rs.)

FIXED ASSETS											
PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK		
	AS AT 01.04.2010	ADDITIONS	SALES/ADJ	AS AT 31.03.2011	UP TO 31.03.2010	FOR THE YEAR	SALES/ADJ	UP TO 31.03.2011	AS AT 31.03.2011	AS AT 31.03.2010	
Land & Site Development	23,14,31,831	1,90,67,34,925*	45,52,718	2,13,36,14,038	-	-	-	-	2,13,36,14,038	23,14,31,831	
Building	94,55,42,665	89,11,25,749	-	1,83,66,68,414	26,54,53,251	3,65,86,315#	-	30,20,39,566	1,53,46,28,848	68,00,89,414	
Plant & Machinery	6,85,70,74,523	2,25,32,27,091	7,23,03,304	9,03,79,98,310	3,25,48,74,829	48,57,64,219#	5,90,26,187	3,68,16,12,861	5,35,63,85,449	3,60,21,99,694	
Furniture & Fixtures	3,63,53,139	2,13,83,067	2,000	5,77,34,206	2,29,67,105	28,54,875	1,000	2,58,20,980	3,19,13,226	1,33,86,034	
Vehicles	10,71,62,750	3,54,60,301	74,11,675	13,52,11,376	4,98,45,634	1,01,68,914	33,34,547	5,66,80,001	7,85,31,375	5,73,17,116	
Office Equipments	10,34,75,056	5,72,32,883	2,61,636	16,04,46,303	7,20,46,633	1,08,39,440	1,88,494	8,26,97,579	7,77,48,724	3,14,28,423	
Airconditioners & Coolers	1,57,34,243	30,50,474	41,878	1,87,42,839	72,44,908	8,34,376	16,041	80,63,243	1,06,79,596	84,89,335	
Miscellaneous Assets	35,18,177	3,95,12,500	-	4,30,30,677	18,29,064	13,63,151	-	31,92,215	3,98,38,462	16,89,113	
Temporary Erections	1,52,03,065	-	-	1,52,03,065	1,51,54,774	48,291	-	1,52,03,065	-	48,291	
TOTAL	8,31,54,95,449	5,20,77,26,990	8,45,73,211	13,43,86,49,228	3,68,94,16,198	54,84,59,581	6,25,66,269	4,17,53,09,510	9,26,33,39,718	4,62,60,79,251	
Previous Year	6,83,48,32,264	1,53,60,20,369	5,53,57,184	8,31,54,95,449	3,44,01,76,044	27,15,98,024	2,23,57,870	3,68,94,16,199	4,62,60,79,251	3,38,67,10,705	
* Revalued during the current year amounting to Rs. 1,85,17,37,873 (Previous Year Rs. NIL)											
# Includes depreciation on revalued cost of assets amounting to Rs. 5,01,226/- (Previous Year Rs. 5,01,226/-)											

**Schedules to the Consolidated Balance Sheet**

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
SCHEDULE 6		
INVESTMENTS (AT COST)		
Non Trade		
Unquoted		
Long Term		
50,000 (Previous Year -50,000) Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Global Steel & Gen Power Limited	5,00,000	5,00,000
70,000 (Previous Year -50,000) Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Global Cement Limited	7,00,000	5,00,000
50,000 (Previous Year -50,000) Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Global Infrastructure Limited	5,00,000	5,00,000
5,000 (Previous Year -5,000) Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Roadlink and Infra Limited	50,000	50,000
5,000 (Previous Year -5,000) Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Vijay Nagar Steel & Power Limited	50,000	50,000
5,000 (Previous Year -5,000) Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Chhatisgarh Power Limited	50,000	50,000
5,000 (Previous Year -5,000) Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Gujarat Power Limited	50,000	50,000
5,000 (Previous Year -NIL) Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Vijay Nagar Cement Limited	50,000	-
5,000 (Previous Year -NIL) Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Chattisgarh Steel and Power Limited	50,000	-
40,000 (Previous Year -NIL) Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Shimoga Steel Limited	4,00,000	-
24,500 (Previous Year -NIL) Equity Shares of Rs. 10/- each, issued at par, fully paid-up, in Surya Shimoga Lighting Limited	2,45,000	-
Investment after end of the financial year of subsidiary (Current year -NIL, Previous Year 27,50,000 Equity shares) of Rs. 10/- each	-	27,50,00,000
Total	26,45,000	27,67,00,000

Book Value of Quoted Investments Rs NIL (Previous Year - NIL)
Market Value of Quoted Investments Rs. NIL (Previous Year - NIL)

SCHEDULE 7**STOCK (as certified by the Management)**

Stores and spare parts ,etc (at cost on FIFO Basis)	26,29,70,349	23,37,06,448
Raw Materials (at cost on FIFO basis)	1,35,98,29,656	77,17,72,953
Scrap and salvage (at realisable value)	3,74,27,839	4,69,02,341
Semi -finished goods (at cost or net realisable value, whichever is less)	47,73,11,282	52,98,28,795
Finished goods (at cost or net realisable value, whichever is less)	2,17,51,90,553	1,16,31,12,975
Real Estate Division (WIP) (at cost or net realisable value, whichever is less) (Since transferred to Capital WIP)	-	6,92,88,054
Total	4,31,27,29,679	2,81,46,11,566

**Schedules to the Consolidated Balance Sheet**

	As at 31st March, 2011 Rs.	As at 31st March, 2010 Rs.
<u>SCHEDULE 8</u>		
SUNDRY DEBTORS (unsecured , considered good)		
Debts outstanding for a period exceeding six months	54,00,686	39,88,110
Other debts	2,98,68,55,183	1,78,51,86,228
Total	2,99,22,55,869	1,78,91,74,338
<u>SCHEDULE 9</u>		
CASH AND BANK BALANCE		
Cash on hand	79,94,217	49,13,047
Cheques/Drafts/TTs in hand/ in transit	8,04,28,861	7,17,28,566
Balance With Scheduled Banks in :		
- Current Account	8,36,88,330	1,11,91,808
- Fixed Deposits	11,62,17,484	2,59,88,387
- Unpaid Dividend Accounts	36,01,144	32,44,371
	29,19,30,036	11,70,66,179
<u>SCHEDULE 10</u>		
LOANS AND ADVANCES (Unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	12,64,73,735	24,76,72,567
Security Deposits	6,35,23,549	5,14,25,356
Earnest Money Deposits	41,69,609	63,15,267
Claims Recoverable/Receivable	2,17,44,415	65,06,890
Total	21,59,11,308	31,19,20,080
<u>SCHEDULE 11</u>		
CURRENT LIABILITIES		
Sundry Creditors		
-Due to Micro and Small Enterprises	4,77,14,901	2,44,16,741
-Others	54,64,49,665	71,74,66,779
Other Liabilities	37,38,83,634	23,36,67,954
Interest accrued but not due	6,70,25,827	3,24,96,355
Total	1,03,50,74,027	1,00,80,47,829
<u>SCHEDULE 12</u>		
PROVISIONS		
Proposed Equity Dividend	6,57,46,875	5,56,62,500
Tax on Dividend	1,06,65,787	92,44,845
Provision for gratuity	10,22,04,438	8,62,00,335
Provision for Leave Encashment	2,62,79,751	2,24,64,465
	20,48,96,851	17,35,72,145

**Schedules to the Consolidated Profit and Loss Account**

	For the year ended 31st March,2011 Rs.	For the year ended 31st March,2010 Rs.
<u>SCHEDULE 13</u>		
SALES		
Inland (net of return)	22,15,80,90,496	16,93,46,88,483
Export*	3,17,11,43,884	2,45,45,70,004
	25,32,92,34,380	19,38,92,58,487
Less : Internal consumptions of components	74,40,55,114	41,51,15,690
Total	24,58,51,79,266	18,97,41,42,797
*Export Includes Export Benefits of Rs.10,18,75,099 (Previous Year Rs. 15,98,84,410)		
<u>SCHEDULE 14</u>		
OTHER INCOME		
Rent	24,000	24,000
Interest (TDS Rs. 3,08,590)	81,38,001	20,17,083
Miscellaneous Income	1,00,56,034	18,20,142
Profit on Sale of Fixed Assets	7,51,571	47,88,064
	1,89,69,606	86,49,289
<u>SCHEDULE 15</u>		
ACCRETION/DECRETION TO STOCK		
Stock as at 1st April		
Finished Goods	1,16,22,71,999	97,12,75,374
Semi Finished Goods	52,98,28,796	25,30,51,155
Scrap	4,69,02,341	2,19,46,020
Real Estate Division (WIP) since transferred to Capital WIP	-	6,71,03,090
	1,73,90,03,136	1,31,33,75,639
Stock as at 31st March		
Finished Goods	2,17,51,90,554	1,16,22,71,999
Semi Finished Goods	47,73,11,283	52,98,28,796
Scrap	3,74,27,839	4,69,02,341
Real Estate Division (WIP) since transferred to Capital WIP	-	6,92,88,054
	2,68,99,29,676	1,80,82,91,190
Accretion/(Decretion) to Stock	95,09,26,540	49,49,15,551
<u>SCHEDULE 16</u>		
MANUFACTURING EXPENSES		
Stores and spares consumed	17,91,11,634	16,25,89,586
Power and fuel	42,91,54,607	37,70,68,781
Water charges	63,10,171	33,89,854
Repairs to :		
Machinery	1,36,98,769	1,29,02,235
Building	90,07,018	82,96,930
Others	41,85,860	43,90,610
	2,68,91,647	2,55,89,775
Miscellaneous manufacturing expenses	35,60,40,846	23,04,89,391
Job Work Charges	2,00,78,495	-
Excise Duty	(21,91,701)	1,42,13,379
Total	1,01,53,95,699	81,33,40,766

**Schedules to the Consolidated Profit and Loss Account**

	For the year ended 31st March,2011 Rs.	For the year ended 31st March,2010 Rs.
SCHEDULE 17		
EMPLOYEES REMUNERATION AND BENEFITS		
Salaries,wages and allowances including bonus and gratuity	1,00,65,63,039	75,51,18,113
Employers contribution to PF, ESI and administrative charges	8,93,10,964	6,55,75,306
Staff Welfare Expenses	6,14,41,382	4,72,53,770
Remuneration to Managerial Personnel	2,57,66,200	1,38,26,367
Staff Recruitment and Training Expenses	43,32,827	91,10,387
Total	1,18,74,14,412	89,08,83,943
SCHEDULE 18		
SELLING EXPENSES		
Carriage Outward	67,06,16,192	50,76,86,350
Commission\Service Charges on sale	6,82,80,766	6,43,15,566
Discounts	34,48,98,786	20,30,98,749
Advertisement	9,97,67,246	11,16,68,541
Claims for defective	22,62,63,991	16,31,72,020
Others	12,52,01,914	13,11,71,326
Total	1,53,50,28,895	1,18,11,12,552
SCHEDULE 19		
INTEREST		
Term Loans and Fixed Deposits	40,02,78,479	27,59,88,803
Other Interest & Financial Charges	27,55,44,034	21,11,54,412
Total	67,58,22,513	48,71,43,215
SCHEDULE 20		
OTHER EXPENSES		
Rent	3,46,90,728	3,08,01,208
Insurance	81,11,818	46,78,343
Rates & Taxes	9,46,173	15,81,881
Postage, Telegraph,Telephone and Telex	1,98,45,361	1,98,64,760
Printing and Stationery	1,50,83,370	1,06,24,270
Travelling & Conveyance	9,20,80,610	7,57,13,620
Cost Auditors'Remuneration :		
-Fee	2,20,000	1,85,000
-Expenses	8,000	15,140
Miscellaneous Expenses	10,18,75,346	7,96,42,651
Loss on sale of fixed assets	3,91,718	11,83,851
Sales Tax / Entry Tax Paid	3,99,01,500	3,24,07,291
Preliminary Expenses written off	66,63,642	
	31,98,18,266	25,66,98,015
Directors' Expenses		
Sitting Fees	12,90,364	9,60,000
Travelling & Conveyance	46,66,455	53,51,230
Meeting Expenses	25,302	35,256
Foreign Travelling	2,32,524	2,57,905
	62,14,645	66,04,391
Statutory Auditors' Remuneration		
Statutory Audit Fees	6,48,018	4,75,000
Income Tax Audit Fees	85,000	1,25,000
Auditors' Expenses	1,14,940	24,162
Management Fees for certificates/reports	3,44,759	57,314
	11,92,717	6,81,476
Total	32,72,25,628	26,39,83,882



SCHEDULE 21

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. General

Surya Roshni Limited was incorporated in India and operates as a Holding Company for other group company.

2. Principles and Basis of preparation of Financial Statements

The consolidated financial statements have been prepared in accordance with Accounting Standards (AS 21) Consolidated Financial Statements. The following group company considered for consolidation.

Name of the Subsidiary Company	Country of Incorporation	Extent of Holding (%) as on March 31, 2011	Extent of Holding (%) as on March 31, 2010
Surya Global Steel Tubes Ltd.	India	53.73	53.73

Financial Information of Subsidiary Company as on its Financial Year ending 30th September, 2010

(Rs. in Lakh)

Particulars	Amount
Capital	9305.50
Reserves	73.52
Total Assets	37928.35
Total Liabilities	37928.35
Investments	4.00
Turnover / Total Income	9879.59
Profit before Taxation (PBT)	120.59
Provision for Taxation	47.07
Profit after Taxation (PAT)	73.52
Proposed Dividend	Nil

3. The consolidated financial statements comprise that of the parent company up to 31.03.2011 and its subsidiary up to 30.09.2010 which is the last closing date of its Accounts.

Since the reporting dates of both the Companies are different, adjustments for giving effects to significant transactions / events between the two dates are as under :-

Transactions during the period 01.10.2010 to 31.03.2011	As on 31st March 2011 (Rs.)	As on 30th Sept. 2010 (Rs.)	Net Transactions during the period (Rs.)
Investment	2,45,000	4,00,000	(1,55,000)
Fixed Assets	336,96,98,375	256,45,65,404	80,51,32,971
Borrowings	320,67,27,434	255,67,76,726	64,99,50,708
Lending	—	—	—
Share Capital	93,05,50,000	93,05,50,000	Nil

The consolidated financial statements are prepared on historical cost convention using accounting policies of the parent company unless otherwise stated. Inter Company balances and transactions have been eliminated in the consolidation.

4. Other Significant accounting policies :

These are set under "Significant Accounting Policies" as given in Standalone Financial Statements of Surya Roshni Limited.

5. Contingent liabilities not provided for in respect of :

- Bank Guarantees outstanding Rs. 26,20,59,274 (Previous year Rs. 41,29,62,403)
- Disputed Excise duties, Sales / VAT taxes liability Rs. 1,88,03,777 (Previous year Rs. 3,21,97,554)
- Bonds executed by the company to custom department against fulfilment of export obligation under 5% EPCG Scheme Rs. 33,25,45,469 (Previous year Rs. 32,08,19,889).
- Disputed ESI liability Rs. 34,55,828 (Previous year Rs. 34,55,828)
- Disputed demand of Uttaranchal Power Corporation Rs. 41,27,000 (Previous year Rs. 41,27,000)
- Corporate Guarantee(s) of Rs. 90 Crores in favour of PNB and Rs. 45 Crores in favour of SBI for providing term loans to Surya Global Steel Tubes Limited (Previous year - Rs. 135,00,00,000)

6. Estimated amount of contracts remaining to be executed on capital account (less advances) Rs. 28,00,71,855 (Previous year – Rs. 33,32,72,604)

7. Employee Benefits

Actuarial valuation of Gratuity and Leave encashment have been done with the following assumptions :

Particulars	As at 31st March, 2011		As at 31st March, 2010	
	Gratuity (funded)	Leave Encashment (Unfunded)	Gratuity (funded)	Leave Encashment (Unfunded)
Discount rate	8.0%	7.5%	7.5%	7.5%
Future Salary Increase	3.50%	4.00%	4.00%	4.00%
Rate of return on plan assets	9.25%	N.A.	9.25%	N.A.
Average Working life in Years	20.43	20.13	20.28	20.13
Withdrawal rates for various age groups	1% to 3%	1% to 3%	1% to 3%	1% to 3%

(Amt. In Rs.)

Change in the present value of obligation	Gratuity (funded)	Leave Encashment (Unfunded)	Gratuity (funded)	Leave Encashment (Unfunded)
Present value of obligation as at the beginning of the period	14,51,44,511	2,26,32,538	11,42,06,308	1,87,18,420
Interest Cost	1,16,00,150	17,96,316	85,64,041	14,02,496
Past Service Cost	36,11,346	-	-	-
Current Service Cost	1,42,97,561	58,03,367	1,15,80,814	42,04,488
Benefits paid	(55,94,914)	(98,81,504)	(38,74,236)	(63,10,371)
Actuarial (gain)/loss on obligations	(30,95,201)	60,97,107	1,45,33,344	44,49,432
Present value of obligation as at the end of period	16,59,63,453	2,64,47,824	14,50,10,271	2,24,64,465



(Amt. In Rs.)

	As at 31st March, 2011	As at 31st March, 2010
Change in the fair value of plan assets	Gratuity (funded)	Gratuity (funded)
Fair value of Plan Assets at the beginning of the period	5,88,09,936	4,82,70,213
Expected Return on plan assets	54,39,919	44,64,995
Contributions	50,00,000	1,00,26,518
Benefits paid	(55,94,914)	(38,74,236)
Actuarial (gain)/loss on plan assets	(30,166)	(77,554)
Fair value of Plan Assets at the end of the period	6,36,24,775	5,88,09,936
Reconciliation of present value of obligation and the fair value of assets	Gratuity (funded)	Gratuity (funded)
Present value of obligation as at end of the period	16,59,63,453	14,50,10,271
Fair value of Plan Assets at the end of the period	6,36,24,775	5,88,09,936
Present value of unfunded obligation as at end of the period	10,23,38,678	8,62,00,335
Unfunded Net Liability recognised in Balance Sheet	10,23,38,678	8,62,00,335

(Amt. In Rs.)

	As at 31st March, 2011		As at 31st March, 2010	
Expenses recognised in the Profit and Loss Account	Gratuity (funded)	Leave Encashment (Unfunded)	Gratuity (funded)	Leave Encashment (Unfunded)
Current Service Cost	1,42,97,561	58,03,367	1,15,80,814	42,04,488
Interest Cost	1,16,00,150	17,96,316	85,64,041	14,02,496
Return on plan assets	(54,39,919)	-	(44,64,995)	-
Net actuarial (gain)/ loss recognized in the period	(30,65,035)	60,97,107	1,46,10,898	44,49,432
Total Expenses recognised in the Profit & Loss Account	1,73,92,757	1,36,96,790	3,02,90,758	1,00,56,416

8. Segment Information for the year ended 31st March, 2011 and 31st March, 2010

Group has identified the following three **Primary Business Segments** :

1. Steel - Engaged in the production of Steel Tubes & Pipes and Cold Rolled Strips
2. Lighting - Engaged mainly in the manufacture of different varieties of Lamps
3. Real Estate - Engaged mainly in the development & trade in Real Estate

Secondary Segment reporting has been performed on the basis of Geographical Locations.

Primary Business Segments

Particulars	Lighting	Steel Consolidated	Real Estate	Total Consolidated
REVENUE				
External Sales	7,50,20,23,641	17,08,31,55,625	-	24,58,51,79,266
	5,59,89,76,703	13,37,51,66,094	-	18,97,41,42,797
Inter-segment Sales	-	-	-	-
	-	-	-	-
Total	7,50,20,23,641	17,08,31,55,625	-	24,58,51,79,266
	5,59,89,76,703	13,37,51,66,094	-	18,97,41,42,797
RESULT				
Segment Result	73,95,15,258	64,98,92,717	-	1,38,94,07,975
(Profit+)/Loss(-) before tax & interest)	59,96,02,944	41,64,64,113	-	1,01,60,67,057
Unallocable Corporate Expenditure				-
				-
Operating Profit				1,38,94,07,975
				1,01,60,67,057
Interest Expenses				67,58,22,513
				48,71,43,215
Other Income				1,89,69,606
				86,49,289
Income Tax				3,88,77,834
				8,58,48,702
Profit from ordinary activities				67,47,07,628
				45,17,24,429
Net Profit after Tax				67,47,07,628
				45,17,24,429
Other Information				
Segment Assets				
Net Block	2,83,99,06,869	6,42,34,32,849	-	9,26,33,39,718
	2,56,19,62,419	2,06,41,16,831	-	4,62,60,79,250
Capital Work-in-Progress	9,83,28,168	1,27,05,61,018	-	1,36,88,89,186
	6,37,01,795	1,47,33,47,974	-	1,53,70,49,769
Investment	2,45,000	24,00,000	-	26,45,000
	-	27,67,00,000	-	27,67,00,000
Current Assets, Loans and Advances	2,77,31,10,336	5,03,97,16,556	-	7,81,28,26,892
	1,95,07,52,340	3,01,42,37,168	6,92,88,054	5,03,42,77,562
Total Segment Assets	5,71,15,90,373	12,73,61,10,423	-	18,44,77,00,796
	4,57,64,16,554	6,82,84,01,973	6,92,88,054	11,47,41,06,581
Unallocated Corporate Assets				-
				42,78,269
Total Assets				18,44,77,00,796
				11,47,83,84,850



Particulars	Lighting	Steel Consolidated	Real Estate	Total Consolidated
Segment Liabilities				
Current Liabilities & Provisions	73,98,69,355	50,01,01,523	-	1,23,99,70,878
	55,33,33,592	62,97,91,782	-	1,18,31,25,373
Total Segment Liabilities	73,98,69,355	50,01,01,523	-	1,23,99,70,878
	55,33,33,592	62,97,91,782	-	1,18,31,25,373
Unallocated Corporate Liabilities				98,31,50,393
				81,14,30,335
Total Liabilities				2,22,31,21,271
				1,99,45,55,709
Capital Employed	4,97,17,21,018	12,23,60,08,900	-	17,20,77,29,918
(Segment Assets- Segment Liabilities)	4,02,30,82,962	6,20,28,88,461	6,92,88,054	10,29,95,37,747
Loan Fund	3,04,17,50,676	6,85,99,81,771	-	9,90,17,32,447
	2,91,82,09,407	3,99,51,48,020	-	6,91,33,57,427
Capital expenditure				5,52,23,79,819
				57,93,69,750
Depreciation	32,20,01,085	22,48,87,016	-	54,68,88,101
	20,09,59,857	6,99,68,253	-	27,09,28,110
Non-cash expenses other than Depreciation	-	-	-	-
	-	-	-	-
Geographic Segment				
India				21,51,59,10,481
				16,67,94,57,203
Outside India				3,06,92,68,785
				2,29,46,85,594

9. Related party disclosures

Related party disclosures as required under Accounting Standard on "Related Party Disclosures" issued by the Institute of Chartered Accountants of India are given hereunder :

A. Relationship :

i) Associates

- | | |
|---|--|
| 1. Surya Global Steel & Gen Power Limited | 7. Surya Chhatisgarh Steel & Power Limited |
| 2. Surya Global Cement Limited | 8. Surya Chhatisgarh Power Limited |
| 3. Surya Global Infrastructure Limited | 9. Surya Gujarat Power Limited |
| 4. Surya Roadlink and Infra Limited | 10. Surya Shimoga Lighting Ltd. |
| 5. Surya VijayNagar Steel & Power Limited | 11. Surya Manufacturing India Limited |
| 6. Surya VijayNagar Cement Limited | 12. Surya Shimoga Steel Pipes Limited |

ii) Key Management Personnel

- Sh. J.P. Agarwal

iii) Relatives of the Key Management Personnel

Relation	Sh. J.P. Agarwal
Spouse	Smt. Urmil Agarwal
Son(s)	Sh. Vinay Surya
Daughter(s)	Smt. Padmini & Smt. Bharti
Brother(s)	Sh. V P Agarwal
Sister(s)	Smt. Sudha Gupta
Mother	Smt. Ganga Devi Agarwal
Father	Sh. B D Agarwal

B. Transactions carried out with the related parties in the ordinary course of business:

i) Associates :

1. Surya Global Steel & Gen Power Ltd.

Investment :

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	5,00,000	50,000
Investment made during the year	Nil	4,50,000
Total investment at the year end	5,00,000	5,00,000

2. Surya Global Cement Ltd.

Investment :

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	5,00,000	50,000
Investment made during the year	2,00,000	4,50,000
Total investment at the year end	7,00,000	5,00,000

3. **Surya Global Infrastructure Ltd.**
Investment :

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	5,00,000	50, 000
Investment made during the year	Nil	4,50,000
Total investment at the year end	5,00,000	5,00, 000

Transactions with Surya Roshni Limited

Particulars	Amount (Rs.)	
	This year	Previous year
Opening Balance outstanding against P.O	7,46,10,839	Nil
Advance Payment	1,39,75,001	Nil
Amount of New Contracts Awarded	48,93,697	24,66,50,000
Contracts Executed	9,34,79,537	15,80,64,160
Payments Made	7,95,04,536	17,20,39,161
Balance Outstanding	Nil	7,46,10,839

Transactions with Surya Global Steel Tubes Limited

Particulars	Amount (Rs.)	
	As on 30th September 2010	Previous year
Material Purchased	10,42,55,211	Nil
Balance Outstanding	57,52,249	Nil

4. **Surya Roadlink and Infra Ltd**
Investment :

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	50,000	50, 000
Investment made during the year	Nil	Nil
Total investment at the year end	50,000	50, 000

5. **Surya VijayNagar Steel & Power Ltd**
Investment :

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	50,000	Nil
Investment made during the year	Nil	50, 000
Total investment at the year end	50,000	50, 000

6. **Surya VijayNagar Cement Ltd.**
Investment :

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	Nil	Nil
Investment made during the year	50,000	Nil
Total investment at the year end	50,000	Nil

7. **Surya Chhatisgarh Steel & Power Ltd**
Investment .:

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	Nil	Nil
Investment made during the year	50,000	Nil
Total investment at the year end	50,000	Nil

8. **Surya Chhatisgarh Power Ltd.**
Investment :

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	50,000	Nil
Investment made during the year	Nil	50,000
Total investment at the year end	50,000	50,000



9. **Surya Gujarat Power Ltd.**
Investment :

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	50,000	Nil
Investment made during the year	Nil	50,000
Total investment at the year end	50,000	50,000

10. **Surya Shimoga Lighting Ltd.**
Investment :

Particulars	Amount (Rs.)	
	This year	Previous year
Total Investment at the beginning of the year	Nil	Nil
Investment made during the year	4,00,000	Nil
Less Sale of Investment during the year	1,55,000	Nil
Total investment at the year end	2,45,000	Nil

11. **Surya Manufacturing India Ltd**
Transaction

Particulars	Amount (Rs.)	
	This year	Previous year
Opening Balance	Nil	Nil
Sale	7,68,740	Nil
Purchases	9,99,287	Nil
Royalty	3,00,000	Nil
Closing Balance	3,00,000	Nil

12. **Surya Shimoga Steel Pipes Limited**
Investment by Surya Global Steel Tubes Limited

Particulars	Amount (Rs.)	
	As on 30th September 2010	Previous year
Opening Balance	Nil	Nil
Investment made during the year	4,00,000	Nil
Total Investment at the end of the year	4,00,000	Nil

ii) **Key Management Personnel & their Relatives :**

Remuneration for the year 2010-2011 :

- Sh. J.P.Agarwal (Chairman & Managing Director) Rs. 1,48,60,200

Sitting Fees for the year 2010-2011

Smt. Urmil Agarwal (Director) Rs.35,000/-

10. **Earning per Share (Basic and Diluted)**

Particulars	This Year Rs.	Previous Year Rs.
Profit after Tax	67,47,07,628	45,17,24,429
Profit for Equity Shareholders	67,47,07,628	45,17,24,429
Number of Equity Shares	4,38,31,250	2,78,31,250
(Face Value Rs. 10/- each)		
Weighted Average number of Equity Shares (Face Value Rs. 10/- each)	3,48,88,784	2,78,31,250
Basic & Diluted Earning Per Share (EPS) (Rs.)	19.34	16.23

Note : 54,75,000 Equity Shares to be issued against the conversion of 54,75,000 Optionally Convertible Warrants are fairly priced and are assumed to be neither dilutive nor antidilutive. Hence the same is not considered for computation of diluted earning per share.

11. **Deferred Tax**

As per Accounting Standard (AS - 22) on accounting for Taxes on income issued by the Institute of Chartered Accountants of India, the deferred tax liability as on 31st March, 2011 comprises of the following :

Deferred Tax	Amount (Rs.)	
	As on 31st March, 2011	As on 31st March, 2010
(a) Deferred Tax Liability		
1. Related to Fixed Assets	(59,08,57,516)	(59,75,10,606)
(b) Deferred Tax Assets		
1. Gratuity	3,07,39,011	2,53,47,837
2. Leave Encashment	73,96,492	59,67,587
3. Transitional Provision under revised AS-15	80,79,474	80,79,474
4. Other	19,92,146	Nil
Net Deffered Tax Assets / (Liabilites)	(54,26,50,393)	(55,81,15,708)

**12. Miscellaneous Expenditure** (to the extent not written off or adjusted)

Amount (Rs.)

Particulars	As on 31st March 2011	As on 31st March 2010
Miscellaneous Expenditure	Nil	66,63,642
Less Share of Minority	Nil	23,85,373
Total	Nil	42,78,269

13. Minority Interest

Amount (Rs.)

Particulars	As on 31st March 2011	As on 31st March 2010
Equity Capital	43,05,50,000	12,54,50,000
Add: Application Money	99,50,000	13,02,50,000
Less Share of Miscellaneous Expenditure	Nil	23,85,373
Total	44,05,00,000	25,33,14,627

CONSOLIDATED CASH FLOW STATEMENT

	This year Rs.		Previous year Rs.	
A. CASH FLOW FROM OPERATING ACTIVITIES				
Net Profit Before Tax		71,35,85,462		53,75,73,131
Adjustment for :				
Depreciation	54,68,88,101		27,09,28,110	
Interest (Net)	66,76,84,512		48,51,26,132	
Loss/(Profit) on Sale of Fixed Assets	(3,59,853)		(36,04,213)	
Rent Income	(24,000)	1,21,41,88,760	(24,000)	75,24,26,029
Operating Profit before working capital changes		1,92,77,74,222		1,28,99,99,160
Adjustment for :				
Trade & Other Receivables	(1,06,27,30,948)		(32,42,30,019)	
Inventories	(1,49,81,18,113)		(84,78,58,531)	
Trade Payables	4,68,45,587	(2,51,40,03,474)	27,85,61,121	(89,35,27,429)
Cash Generated from Operations		(58,62,29,252)		39,64,71,731
Income Tax Paid	(14,64,01,065)		(9,54,02,492)	
Interest Paid	(27,55,44,034)	(42,19,45,099)	(21,11,54,412)	(30,65,56,904)
NET CASH FROM OPERATING ACTIVITIES		(1,00,81,74,351)		8,99,14,827
B. CASH FLOW FROM INVESTING ACTIVITIES				
Sale/(Purchase) of Investments	27,40,55,000		(27,65,00,000)	
Interest Received	81,38,001		20,17,083	
Purchases of Fixed Assets	(3,35,59,89,117)		(1,53,60,20,369)	
Capital Work in Progress	16,81,60,583		(93,95,64,665)	
Sale/Adjustments of Fixed Assets	2,23,66,795		3,66,03,527	
Miscellaneous Expenditure	(6,74,729)		6,74,729	
Rent Received	24,000		24,000	
NET CASH USED IN INVESTING ACTIVITIES		(2,88,39,19,467)		(2,71,27,65,695)
C. CASH FLOW FROM FINANCING ACTIVITIES				
Increase/(Decrease) Long Term Borrowings	2,02,10,86,504		1,74,37,57,746	
Increase/(Decrease) Short Term Borrowings	96,72,88,516		76,56,77,521	
Minority Interest	24,09,24,729		19,95,75,271	
Issue/(Redemption) of Share Capital	1,30,28,43,750		17,53,77,500	
Interest on borrowings	(40,02,78,479)		(27,59,88,803)	
Dividend Paid	(6,49,07,345)		(3,65,04,195)	
NET CASH INFLOW/(OUTFLOW) FROM FINANCING ACTIVITIES		4,06,69,57,675		2,57,18,95,040
Net Increase/(decrease) in cash & cash equivalents		17,48,63,857		(5,09,55,828)
Opening Cash & Cash equivalents		11,70,66,179		16,80,22,007
Closing Cash & Cash equivalents		29,19,30,036		11,70,66,179

B B Singal
AVP &
Company SecretaryS N Bansal
Dy. Managing DirectorJ.P. Agarwal
Chairman and Managing Director

T S Bhattacharya

Ravinder K Narang

Arvind Bansal
Dy. Managing Director & CFOVineet Garg
Dy. Managing Director

K K Narula

U K Mukhopadhyay

Directors

Raju Bista
Dy. Managing Director

B B Chadha

Place : New Delhi
Dated : May 5, 2011**AUDITORS' REPORTS**

We have examined the above Consolidated Cash Flow Statement compiled from the consolidated audited financial statements of Surya Roshni Limited for the year ended March 31, 2011, reported by us on 5th May, 2011 and found the same to be drawn in accordance therewith

For SASTRY K. ANANDAM & CO.
CHARTERED ACCOUNTANTS
Firm No. 00179N

CA ANANDA SASTRY K.
Partner, F.C.A.
Membership no. 9980

Place : New Delhi
Dated : May 5, 2011