



SURYA ROSHNI LIMITED

LIGHTING DIVISION

CIN -L31501HR1973PLC007543

Padma Tower-1, Rajendra Place, New Delhi-110 008

Ph.: +91-11-25810093-96, 47108000 Fax : +91-11-25789560

E-mail : suryaroshni@surya.in Website : www.surya.co.in

Date: June 8th, 2016

To,

The Department of Corporate Services

BSE Limited

Phiroz Jejeebhoy Towers

Dalal Sreet,

MUMBAI – 400 001

Scrip Code – 500336

The Manager

Listing Department

The National stock Exchange of India Ltd

Exchange Plaza, 5th floor

Plot No. C/1, G Block

Bandra Kurla Complex, Bandra (E)

Mumbai – 400 051

Scrip Code - SURYAROSNI

Dear Sir,

Sub: Scheme of Amalgamation of Surya Global Steel Tubes Limited with Company:

Outcome of the Board Meeting held on 8th June, 2016 - Disclosure under Regulation 30(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with sub-para 1.2 of Para A1 of Annexure I of Circular bearing number CIR/CFD/CMD/4/2015 dated 9th September, 2015 issued by Securities and Exchange Board of India.

In continuation to the decision taken by the board in their meeting held on 27th May, 2016, the board in its meeting held today, has considered and approved the Scheme of Amalgamation of Surya Global Steel Tubes Limited with Company, in accordance with the provisions of Section 391 – 394 of the Companies Act, 1956 or any corresponding provisions of the Companies Act, 2013 along with the Share Exchange Ratio. The Company holds 26.99% of the equity shares of the Surya Global Steel Tubes Limited (SGSTL).

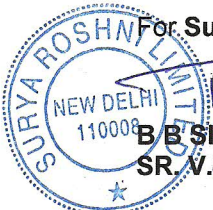
The above scheme of amalgamation shall be subject to the approval of High Court, Shareholders and Creditors of both the Companies.

The detailed disclosure as required under Regulation 30 of the Listing Regulations, 2015 read with Circular CIR/CFD/CMD/4/2015 dated September 9, 2015 is enclosed as Annexure to this Outcome.

Request you to take the same on your records.

Your Faithfully,

For Surya Roshni Limited



B B SINGAL

SR. V.P & COMPANY SECRETARY



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Annexure

- a) Name of the entity(ies) forming part of the amalgamation/merger, details in brief such as, size, turnover etc. :

The scheme provides for amalgamation of Surya Global Steel Tubes Limited (SGSTL) with Surya Roshni Limited (SRL). SGSTL is an associate company of SRL, wherein SRL, presently holds 26.99% equity shares of SGSTL.

The brief details of the Transferor Company are as follows –

(Rs. In Cr.)

Name of the Transferor Company	% Shareholding in the Company	% Shareholding held by the Company	Turnover for FY 2016	Net Worth (as on 31.03.2016)
Surya Global Steel Tubes Limited	0.00%	26.99%	805.73	231.80

- b) Whether the transaction would fall within related party transactions? If yes, whether the same is done at "arm's length".

Yes, the transferor company is related to the Company. The transaction is based on independent Fair Valuation of shares of each of the companies and will be subject to prior approval of shareholders and High Court.

Also, MCA vide its Circular No. 30/2014 dated 17th July 2014, has clarified that transactions arising out of compromises, arrangements and amalgamations dealt with under specific provisions of the Companies Act, 1956/Companies Act, 2013, would not attract the requirements of section 188 of the Companies Act, 2013.

- c) Area of business of the entity

Name of the Transferor Company	Area of Business
Surya Global Steel Tubes Limited	Engaged in Manufacturing of Steel Pipes at Bhuj (Gujarat). It is the largest ERW Steel pipe exporter from India and exports its product to over 25 countries across the Globe.

- d) Rationale for amalgamation/ merger:

- SRL, the Transferee Company, is engaged in lighting and steel tubes business, wherein the steel tubes business, it mainly caters to the domestic market. On the other hand, the Transferor Company, SGSTL, is the largest ERW Steel pipe exporter from India and exports its product to over 25 countries across the Globe. It is manufacturing value added pipes;





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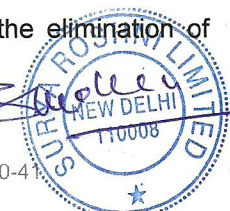
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- The international market for the steel tube business, primarily in the Middle East countries is robust and SGSTL is one of the market leaders in this region. To add on, the plant of the Transferor Company, is situated in Anjar, Distt. Bhuj, Gujarat, which is in proximity to two major seaports i.e. Mundra Port and Kandla Port. The close proximity of the SGSTL Plant with sea ports, brings in the cost advantage to SGSTL not only in terms export of finished products but also in terms of import of Raw Materials.
- The amalgamation shall result in consolidation of the Steel Tubes Business of the Surya Group at one place, thus bringing overall synergy in the pipe business, greater integration, enhanced cash accruals and make the steel business self-reliant;
- With the amalgamation, Company will have two independent lines of businesses in terms of size, cash accruals, etc. having pan India and global reach which shall create value for all the stakeholders;
- Risk aversion, as the combined entity shall have geographical reach to all places not only in India but across the Globe;
- Combined entity would have access to higher amount of cheaper credits in foreign currency, improved credit rating, increased turnover, EBITDA, PAT, due to consolidation of top line and bottom line financials of both the companies;
- Tax efficiencies as the benefits of unabsorbed depreciation, MAT Credit and other benefits available to the larger size companies would be available;
- SRL, would have access to the customers across the globe and newer technologies, thus benefitting its shareholders.
- Elimination of Related Party Transactions;

This Scheme of Amalgamation of the Transferor Company with the Transferee Company would result, inter-alia, in the following additional benefits to their respective members:

- Greater integration, financial strength and flexibility for the Transferee Company, which would result in maximising overall shareholder value, and will improve the competitive position of the combined entity.
- Achieve greater efficiencies in operations with optimum utilization of resources, better administration and reduced cost. Benefit of operational synergies to the combined entity in areas such as sourcing of materials, product planning and development;
- Increased revenue generation through increased sales as well as optimization, cost efficiency and business logistics, which can be put to the best advantage of all stakeholders.
- Increased cost savings are expected to flow from more focused operational efforts, rationalization, standardisation and simplification of business processes, productivity improvements, improved procurement of materials and resources, and the elimination of





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duplication, and optimum rationalization of administrative expenses and utilization of human resources.

- v. Greater efficiency in cash management of the amalgamated entity, and pooling of cash flow generated by the combined business which can be deployed more efficiently to fund organic and inorganic growth opportunities, to maximize shareholder value.
- vi. Pooling of business debt under single entity and creating a single stream of cash flows. Also, saving in the duplication of processing fees being paid to the Banks.
- vii. Improved organizational capability and leadership arising from pooling of financial, managerial and technical resources.
- viii. Opportunities for creating strategic partnership and flexibility of fund raising capability for future growth and expansion and to create a business structure, which is geared to take advantage of possible growth opportunities.

Better financial, business and operational prospects including but not limited to, efficient management of costs, better maintenance of the manufacturing of costs, better maintenance of the manufacturing/warehousing facilities and improved administrative control of the Amalgamated Company.

e) Share Exchange Ratio:

Share exchange ratio as provided in the scheme of amalgamation is as follows -

- SRL, without further application, act or deed, shall issue and allot to each of the shareholders of SGSTL (other than the shares already held therein immediately before the amalgamation by SRL, its Nominee or Subsidiary Company), shares in proportion of **782 (Seven Hundred and Eighty-two) Equity shares of face value of Rs.10/- (Rupees Ten) each in Transferee Company for every 10,000 (Ten Thousand) Equity shares of face value of Rs.10/- (Rupee Ten) each held by them in SGSTL pursuant to this Scheme of Amalgamation.**

f) Pre and Post Shareholding pattern:

Particulars	Pre-Merger (% Holding)	Post-Merger (% Holding)
- Promoters	63.32%	63.42%
- Non- Promoters	36.68%	36.58%
Total	100.00%	100.00%

