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SURYA

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SRL/24-25/60
February 12, 2025

The Secretary
The Stock Exchange, Mumbai
New Trading Ring, 14th Floor,
Rotunda Building, P.J.Towers,
Dalal Street, Fort,
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
NSE Symbol: SURYAROSNI

Sub: Transcript of Earnings Call (Group Meet) for the Quarter ended 31st December, 2024

Dear Sir,

This is with reference to the Company intimation dated 28th January, 2025 filed with the stock exchanges in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the earning conference call (Group meet) to discuss the Un-Audited financial results and operational performance for the quarter ended 31st December, 2024 held on Thursday, 6th February, 2025 at 4:00 P.M (IST).

Further to the audio recording filed with the stock exchanges already on 6th February, 2025, we are enclosing the Transcript of the said Earnings Call (Group Meet).

The same is also being uploaded on the website of the Company at www.surya.co.in under Financials in the Investor section.

This is for your information and records.

Thanking you,

Yours faithfully
For Surya Roshni Limited

BHARAT BHUSHAN SINGAL
Digitally signed by BHARAT BHUSHAN SINGAL
Date: 2025.02.12 13:57:32 +05'30'

B B SINGAL
CFO & COMPANY SECRETARY

Enclosed: as above.

“Surya Roshni Limited

Q3 FY '25 Earnings Conference Call”

February 06, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 06th February 2025 will prevail.

MANAGEMENT: **MR. RAJU BISTA – MANAGING DIRECTOR**
MR. NARESH SINGHAL – ED, STEEL OPERATION
MR. JITENDRA AGRAWAL – CEO, LIGHTING & CONSUMER DURABLES
MR. B. B. SINGAL – CFO AND COMPANY SECRETARY
MR. GAURAV JAIN – ED AND COO STEEL OPERATIONS
MR. VASUMITRA PANDEY – COO, LIGHTING AND CONSUMER DURABLE BUSINESS

Moderator: Ladies and gentlemen, good day and welcome to Surya Roshni Limited Q3 FY '25 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of the future performance and involve risks or certainties that are difficult to predict.

As a reminder, all participants' lines will be in the listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing star, then zero on your touch-tone phone. Please note that this conference has been recorded.

I now hand the conference over to Mr. Raju Bista, Managing Director of Surya Roshni Limited. Thank you and over to you, sir.

Raju Bista: Hi, welcome everybody and thank you very much for joining us. Good evening. On this call, we are joined by Mr. B.B. Singal, our Company CFO and Company Secretary as well as Mr. Naresh Singhal, Executive Director, Steel Business; Mr. Jitendra Agarwal, CEO of Lighting and Consumer Durable; Mr. Gaurav Jain, ED and COO of Steel Operations; Mr. Vasumitra Pandey, COO, Lighting and Consumer Durable Business; and SGA, our Investor Relations Advisors. And I hope everyone had an opportunity to go through the financial results.

And moving on to the overall financial performance highlight, we are pleased to have delivered a resilient performance in Q3 FY '25 despite challenging macroeconomic conditions. During the quarter, our revenues saw a marginal decline of 4%, primarily due to an average price 18% year-on-year decrease in HR coil prices. But we achieved sequential revenue growth of 22% and EBITDA and PAT grew by 87% and 163% respectively as compared to Q2FY25.

Our Lighting and Consumer Durable segment delivered healthy performance, with robust growth across professional lighting, decorative fans and home appliances. This reinforces our strategic focus on innovation, quality and customer-centric offerings. On a sequential basis, we recorded double-digit growth as well.

Optimizing our capacity utilization, efficient working capital management and strategic cost rationalization have enabled us to achieve zero debt while maintaining a cash surplus fund of ₹222 crores as of 9 months FY '25.

Now, coming to Lighting and Consumer Durable. Despite industry-wide challenges, including price erosion in LED segment, our proactive approach to product innovation, strong distribution network and early market initiatives has enabled us to achieve double-digit growth year-on-year, revenue growth of 12% in this quarter.

Focusing on premiumization, cost rationalization, innovation and technology and backward integration under the PLI scheme also contributed to improved margins and overall profitability.

Professional lighting delivered almost 15% year-on-year growth, benefiting from increased demand across key product categories including LED street light, where volume nearly doubled. A healthy order book of about ₹150 crores in the professional lighting segment further strengthens our growth momentum.

Looking forward, we remain optimistic about the business roadmap and we are confident in delivering double-digit revenue growth for the full fiscal year in lighting. Our focus will also be on achieving double-digit EBITDA margin through a balanced approach of product mix optimization, operation excellence and innovation.

We are well positioned to drive consistent growth and reinforce our leadership in lighting and consumer durable segment.

And also, we are investing ₹25 crores at our Gwalior facility in lighting division to set up a state-of-art domestic wire business unit of specified size and categories.

Now, moving on to the steel pipe and strip segment. The steel pipe and strip segment witnessed 8% year-on-year volume growth, reflecting healthy demand. However, revenue declined by 8% year-on-year to ₹1,417 crores, primarily due to drop in average HR coil prices by 18%, that is about ₹10,500 per ton compared to same corresponding period last year.

On a sequential basis, revenue grew significantly by 25% in steel pipe business from ₹1,135 crores in FY '25, recording a strong recovery. On quarter-on-quarter basis, EBITDA per ton improved by 78% from ₹2,901 in Q2 FY25. EBITDA for Q3 FY '25 stood at ₹111 crores, declining 9% year-on-year from ₹121 crores. EBITDA per ton declined to ₹5,163 from ₹6,156, primarily due to absence of inventory gain, which contributed ₹1,200 per ton in Q3 FY '24.

Value-added products (API, spiral and galvanized pipes) contributed almost 45% of total revenue for both Q3 FY '25 and Nine-month FY '25. Export sales remained unchanged year-on-year, but globally trade uncertainties and reservations around US tariff policies prevented a potential double-digit growth. Despite these headwinds, we are expanding our presence in Middle East, Saudi Arabia, Europe and Canada markets. We currently have order book of about ₹600 crores in hand for oil and gas sector, water sector and export business.

With rising demand for structural pipes in infrastructure, construction and industrial sectors, we are expanding our section pipe capacity using Direct Forming Technology (DFT) to enhance efficiency.

The new spiral plant in Gwalior and cold rolling expansion at Bahadurgarh plant are set to commence operations in February and March this year '25, respectively.

At our Hindupur facility, we are increasing capex from ₹75 crores to ₹125 crores to expand production by almost 200,000 tons per annum, focusing on large diameter (8 to 20 inch), DFT Mill and coated pipes for water line projects and infrastructure projects as well.

At our Bhuj, Anjar facility also, we have made an investment of about ₹75 crores for manufacturing of large DIA pipe and DFT pipes, which will add another 60,000 tons of annual capacity and support our export business.

Steel prices are at almost 5 years level low and further declines are unlikely, providing a stable cost environment. We remain committed to expanding our product portfolio, strengthening our export business and investing in technology-driven capacity enhancements to drive long-term growth and profitability as well. That's it.

Now I will request our CFO, Mr. B. B. Singalji to share his thoughts.

B.B Singal: Thank you, respected MD sir, and a very good afternoon to all the participants on the call.

For the quarter, the revenue was ₹1,868 crores as compared to ₹1,938 crores. EBITDA and PAT stood at ₹156 crores and ₹90 crores as compared to ₹158 crores and ₹90 crores, respectively.

For 9 months of financial year '25, the revenue was ₹5,290 crores as compared to ₹5,729 crores. EBIDTA and PAT stood at ₹397 crores and ₹217 crores as compared to ₹414 crores and ₹225 crores respectively.

In lighting and consumer durables for the quarter, the revenue stood at ₹451 crores as against to ₹403 crores, a growth of 12% year-on-year basis. EBIDTA and PBT stood at ₹45 crores and ₹35 crores, a growth of 20% and 18% respectively. For 9 months of FY25, the revenue stood at ₹1,232 crores as against to ₹1,154 crores, a growth of 7% year-on-year basis. EBIDTA and PBT stood at ₹115 crores and ₹87 crores, a growth of 9% and 5% respectively.

In the steel pipes and strips, during Q3 FY25, the revenue was ₹1,417 crores as compared to ₹1,536 crores. Similarly, EBIDTA per metric ton stood at ₹5,163 compared to ₹6,156. EBIDTA and PBT stood at ₹111 crores and ₹86 crores as against ₹121 crores and ₹91 crores respectively. For 9 months of FY25, the revenue was ₹4,061 crores as compared to ₹4,577 crores. Similarly, EBIDTA per metric ton stood at ₹4,840 crores compared to ₹5,224. EBIDTA and PBT stood at ₹282 crores and ₹203 crores as against ₹308 crores and ₹222 crores respectively.

As on December 31, 2024, our net working capital was 57 days with a return on capital employed (ROCE) of 21.4% and return on equity of 15.63%.

With this, I conclude the presentation and we can now open the floor for further questions and answers.

Moderator: Thank you very much. The first question is from the line of Saransh Gupta from SVAN Investments. Please go ahead. The line of the participant was on hold. We move to the next participant, Adityapal Singh Jaggi from MSC Capital Partner. Please go ahead with your question.

Adityapal Jaggi: Am I Audible?

Raju Bista: Yes

Adityapal Jaggi: Thank you so much for the opportunity. Sir, I wanted to quickly understand from you that the previous concall that is Q2 concall, we had said that we can achieve 9 lakh tons volume this year, 9 lakhs and a few thousand tons this year. But for us to achieve that, we would really need to grow our volumes by 40%-45% Y-o-Y. So, that is my first question that do you think that this 9 lakh is achievable or do you want to revise the guidance for this FY25?

Raju Bista: Okay, next.

Adityapal Jaggi: Sir, next would be that again in the last couple of concalls, we said that in FY26 we can grow our volume to 12 lakh tons, 1.2 million tons. But the revenue would grow by 10%-12%. From 9 to 12 lakh, we are growing 33% tons but the revenue and volume are not matching. So, just wanted to understand, wanted your clarification that are these numbers, is my understanding correct?

Raju Bista: Okay, your first question was regarding volume. Till now, we have done 6.2 lakh tons net and in Q4, it is expected that we will do 2.65 lakh tons. So, we will not cross 9 lakhs tons. We will do around 8.8 lakh to 8.9 lakh tons in the entire year.

In volume, there are 2-3 issues. First, due to the election year --general election year, the growth in API segment was less than what we had expected.

Second, due to global crisis, the growth that we expected in export segment did not happen. But otherwise, we are on line. But despite dip in volume, against our target or what was budgeted by us, we have maintained profitability and per ton growth. And in comparison, to last year, we will surpass it slightly.

As far as FY26 is concerned, we have almost completed ₹200 crores capex in cold rolling mill. And in Gwalior, spiral plant is starting from this month, which will have a volume of 60,000 tons in a year. Similarly, capex work is already going on in Anjar and Hindupur. In total, our capex plan for the next 2 years is ₹500 crores. After that, our existing volume of 12 lakh tons will increase to about ₹19 lakh tons.

So, we should not face much difficulty in making 12 lakh tons for next year. But in steel, a lot depends on prices of HR coil and overall macroeconomy. And for the time being, it also depends on Mr. Trump. But I think that relations between India and the US were not so bad and have improved. And I think that gradually India will get its advantage. This is what we all believe.

Adityapal Jaggi: So, I can assume that the capex you are putting now, say by FY27-28 your capacity will increase to a great extent. It will increase by atleast 70%-80%. So, can I assume that your volume will grow to 12%-15% year on year?

Raju Bista: Yes, it will come to that minimum. In fact, it will remain 15% plus. See, we are also doing a Greenfield project in this ₹500 crores investment. Because in steel pipe, it depends on freight and logistics. In all of India, we are able to cater to only 65% of the states because of freight and logistic issues.

So, we are bringing new projects to the places where we do not have existing facilities. This will lead to a substantial volume growth on account of our new investments. And in existing facilities also, the investment in DFT section and square pipes, will give us a jump and in cold rolling facility also we have invested a lot - so we will get an advantage in that too.

Adityapal Jaggi: Sir, I have a strategic question for you. So, the benchmarking that we did with your competitors, your spread, that is realization minus cost of production, is by far the best in the industry. You earn a spread of between ₹13,500-₹14,000 i.e. realization minus cost of production. But when we go from gross margin to EBITDA per ton, your overhead per ton is the highest. So, internally, have you thought about how to reduce it? Or, when the 12%-15% volume growth comes, will there be no additional expenses at the EBITDA level?

Raju Bista: Look, it is a simple thing. You will see overall, when you will make the oil and gas pipes, when you will make a higher value-added product, then naturally, the overheads will be higher. The cost of making a section pipe is ₹2,000 per ton. The cost of making a value-added product is ₹5,000-₹6,000. So, it is because of this.

But I think you should see what we are saving in the net. If you see the per ton EBITDA, and compare it with our peers, I believe our margins would be better by 15%-20%.

Adityapal Jaggi: Sir, can I ask one more question before I come back in the queue? So, your per ton, and you said that now it will be between ₹5,000-₹5,200. And when our new capex comes, because it is all towards value added products - you say that from ₹5,200, it will go up to ₹6,500-₹7,000 per ton by FY27 or FY28. How do I understand that? How much will it come from gross margin improvement and how much will it come from operating leverage?

Raju Bista: It will come substantially from gross margin. And in this quarter also, we have around ₹5,200 per ton.

Adityapal Jaggi: That has become EBITDA. So, you are taking EBITDA from ₹5,200 to ₹7,000. So, there is a spread of ₹14,000-₹15,000.

Raju Bista: No, there will be an improvement from gross margin only.

Adityapal Jaggi: So, operating leverage will not contribute much, which means your expenses at EBITDA level will keep increasing.

Raju Bista: All are further investemtns we are doing in the value-added products, high margin products only.

Adityapal Jaggi: Okay.

Raju Bista: So, there will be an improvement in gross margin.

Adityapal Jaggi: Okay. But your employee benefit expenses and other expenses, will they keep on increasing as per plan?

Raju Bista: No. See, as the volume increases, there will be a slight reduction in that as well. But the substantial improvement will be on account of gross margin only.

Adityapal Jaggi: Okay. So, there can be an increase of 2.5% only. So, there can be an increase of 23%-25% in gross margin.

Raju Bista: Yes. Yes, after all this, as you said earlier, our EBITDA per ton target is ₹7,000 over the next 2 years. And there will be growth in volume as well. In that, to a large extent, in the square and rectangular section, which is related to the project, we are making a lot of investment in that as well. So, because of that, there will be growth in volume as well.

Moderator: The next question is from the line of Saransh Gupta from SVAN Investments.

Saransh Gupta: Am I Audible?

Moderator Yes

Saransh Gupta: Thank you, sir, for the opportunity. I guess I got disconnected earlier. Sir, as you mentioned, we can see a growth in volume. So, can you give us a ballpark number for that? And I have a couple of more questions. So, should I put it ahead?

Raju Bista: This year till now, we have done sales of 6.2 lakh tons. And around 2.6-2.7 lakh tons in Q4FY25, so around 9 lakh tons, we will the volume for the full year.

Saransh Gupta: And sir, in the upcoming two years, as you mentioned, we can go to a gross margin of 23%-25% with a EBITDA per ton of ₹7000. So, by then, what can we see the volume as?

Raju Bista: In the next two years, our volume will increase by around 6 lakh tons. So, if you see, there is a gradual investment spread over almost three years. So, almost every year, there will be 50%-60% capital utilization. So, if you ask about the next three years, we will add about 1.5-1.75 lakh tons annually to our volumes.

Saransh Gupta: Okay, sir. Sir, next question is, what is the status of our GP facility? When is it expected to come on stream?

Raju Bista: So, in that we have dropped the GP project and instead we are investing in the large dia pipe in Hindupur, because in the GP pipe the ROI of the investment at this time was taking substantially more time. So, we have already made a tie-up with the company manufacturing GP coil. So, we have a long-term understanding with them. So, we are moving forward with that.

Saransh Gupta: Okay, sir. Sir, we have seen a decent pickup in the monoblock residential pump. So, how much will our EBITDA per ton differ from our existing product, if we compare it with the API grade EBITDA per ton?

Raju Bista: No, we have just started. It has been 4 months. In 4 months, we have sold ₹6 crores. So, in this the margin, because we are introducing a new product, the cost of publicity and branding is involved. So now it is at 5% margin, but this product category is such that 10%, 12% margin will be seen from this particular product segment. So, overall, in terms of lighting if we compare it with the total turnover of ₹1500, ₹1600 crores, it is on a very small scale.

Saransh Gupta: And sir, we are saying 10%, 12% margin by when can we expect this?

Raju Bista: In the third year we will have a sale of ₹50 crores to ₹60 crores. At that level, there will be a margin of 11% to 12%. And there is one more thing that we have announced today. The board has approved it. We are investing ₹25 crores on the domestic wire business. It is a business of about ₹25,000 crores across the country. And we are entering into that segment as well. And the good thing about it is that there are 200,000 outlets across the country in which almost 75% to 80% are electrical outlets.

So, it was a demand from the distribution dealer itself that they already deal with the lighting products of Surya Roshni, but somehow they have to introduce other companies for the wire business. So, there was a demand for a long time. So, the board has approved it in today's board meeting. So, there is a capex of ₹25 crores. In the first year, there will be a business of ₹100 crores. In the second year, there will be a business of ₹200 crores. In the third year, there will be a business of ₹300 crores. And in Gwalior we have existing lighting facility because we have a space which was earlier used for GLS, FTL and CFL. So, we are investing there.

And technically, we will not face much difficulty because we make filaments that are used in the bulbs, as we already do the work of wire drawing. So, we will be able to do it very easily and there is a good turnover in this segment. There is no issue of replacement. So, we are entering into a new segment from today.

Saransh Gupta: Sir, there is one last question. As the government has increased the focus on JJM, how do you see the tendering happening in the coming months like in the last one year, the pipe that we have supplied for JJM. Did you get any delay or stress in that in terms of working capital cycle?

Raju Bista: So, in the last 2 years, we have supplied around 1 lakh tons of large dia pipe. So, as far as JJM is concerned, the government has extended it till 2028. Because if you look at the average in all India, I think that in many states it has reached only to about 40%, 50%. So, we will get another 3 years, 3.5 years. That is why we have installed a new facility in Gwalior for the spiral plant particularly for this JJM project only. It is located in Central India and we will get the advantage of it. So, we have done around 1 lakh tons in the last 1.5 years, 2 years.

Saransh Gupta: Sir, what is the capacity of the facility that we have installed?

Raju Bista: 60,000 tons per annum. It depends a lot. It can go up to 50,000 to 80,000 depending on the size and thickness, but according to our calculation on an average you can assume 60,000 tons per annum, so about 5,000 tons per month.

Saransh Gupta: Okay, sir. That's it for now. I will get back in the queue.

Raju Bista: In that, we have orders of 30,000-plus tons in our hands. In fact, the commercial production got delayed by a month and a half because there were some technical issues with the imported machines, but everything is fine now and we are starting commercial production from this month.

Saransh Gupta: Okay, sir. That's great. I will get back in the queue.

Moderator: Thank you. The next question is from the line of Rohan Vora from Envision Capital. Please go ahead.

Rohan Vora: Yes. Sir, thank you for the opportunity. So, sir, in the earlier comments, you said that this quarter the volume of API pipes was a little slow. So, when will the volumes come back on track? That was one question.

And secondly, broadly, where will the demand for API pipes come from? Because it is a major driver of EBITDA per ton. So, over the next 3 years, as we are saying that we have to reach from ₹5,500 to ₹7,000 EBITDA per ton. So, how do you see the demand for API pipes and where will it come from? Thank you.

Raju Bista: See, there are two categories of pipes in the API. One is large-dia ERW pipe, welding pipe, and the other is Spiral pipe. So, because of the general election, there was no tendering for 5, 6 months. And now, in the ERW segment, we have already got two tenders and the process has begun. And the Spiral pipe is also in the pipeline. So, generally, the oil and gas segment is a big business and because the government's vision is that we will deliver gas through pipelines in every household. So, in that, there is still a demand for cross-country lines, i.e., large pipes. And gradually, we will get orders for 0.5 inch to 0.75 inch small scale pipes, which are used for house distribution. So, in this way, the demand will be maintained. And in this segment there are very limited 4-5 players only, because we need high skills for this and we also need a lot of investment.

Rohan Vora: Okay. so this demand is now starting from the next quarter?

Raju Bista: Yes, it has started. It was stopped due to the election. But PSU has been active again and tender process has already started.

Rohan Vora: Sir, apart from this, what are the other drivers of EBITDA per ton over the next 3 years?

Raju Bista: First, our volume growth will be a big driver. Second, the API pipe. As I said, the third is the export segment because the Canadian market has opened up for us again. And because of the investment in cold rolling, whatever segment we cater to belong to the premium category. So, that will remain. And we have also tapped the Saudi market in the Middle East, where we will get substantial volume and in fact, the margin in it will also be quite good.

So, overall, some premium segments, value-added products and our new capex, along with the continuous focus on our cost – on account of all this we will have an advantage. And one more thing, we are also installing DFT plants in every plant, because of which we will also see some improvement in the manufacturing cost.

Rohan Vora: Thank you, sir. I will get back in the queue.

Moderator: Thank you. The next question is from the line of Farokh Pandole from Avestha Fund Management, LLP. Please go ahead.

Farokh Pandole: Hi, Raju Ji. My question is, what is our net cash position at this point? And capex, this ₹300 crores we are going to spend over the next 3 years. And our capacity, total steel pipe capacity will go to 18 lakh tons?

Raju Bista: 18 to 19, yeah.

Farokh Pandole: And ₹300 crores will be spent in 3 years?

Raju Bista: Yes, in the next 2 years.

Farokh Pandole: And what is the net cash position?

Raju Bista: As of today, ₹225 crores.

Farokh Pandole: So, we should maintain a net cash position going forward?

Raju Bista: Yes, it will be maintained. And if you want to ask, I understood. And whatever money will be left, it will be of the investor only. It will go in your pocket only.

Farokh Pandole: Thank you.

Raju Bista: And you see, Q2 was difficult for us. There was a general election, so there were some problems whole year because of that. We are standing at the lowest level in steel prices in the last 5 years. After Mr. Trump came, he is disruption the trade policies all over the world. So despite all this, last year we had had EBITDA of ₹586 crores. And this time, as I said in the commentary, per ton EBITDA we will do around ₹5200-5300. In the lighting division, there will be a double digit EBITDA margin, it will be 10% plus. And we will do EBITDA of around ₹590-₹600 crores for the full fiscal year. To do this, I think in Q4, we will do EBITDA of ₹200 crores as a whole. So, in spite of all these difficulties, we will be able to maintain our margins and profitability.

Farokh Pandole: So, our revenue and profit is range-bound for 4 years and 3 years. So, clearly, I think in the next 2 years, there can be a change in this?

Raju Bista: Yes, there were two reasons for that. As you said, we are very range-bound, we have been able to only maintain a slight growth or whatever the numbers are, we are able to maintain it. The big reason for this was that we were on 80%-85% capacity utilization. So, due to the investment that we have made, there will be a substantial jump in volume. As such, the demand is already existing.

Also in the last 4-5 years, we have also been very selective. We were a little selective in high value-added products and high margin products. So, we were in a range-bound, but still, in spite of all these difficulties, you will see that within 5 years, our balance sheet has also improved. Profitability may be a only slightly better, but we have maintained it.

Moderator: The next question is from the line of Dev from NMR Capital Advisors, LLP.

Dev: I just wanted to ask that ₹25 CR capex we are doing in the wire business, is that included in the ₹500 CR capex plan or is it apart from that?

Raju Bista: It is additional. It was not in our earlier plan. It has been approved today. ₹25 crore capex.

Dev: My second question was that the structural pipe that Surya Roshni makes, are those pipes used in pre-existing buildings?

Raju Bista: Yes, they are used.

Moderator: Thank you. The next question is from the line of Adityapal Singh Jaggi from MSA Capital Partners. Please go ahead.

Adityapal Jaggi: Hi, thank you so much again for the follow-up. Sir, next year, in FY'26, can we confidently say that the average quarterly volume run rate ofof 2.20 lakhs to 2.50 lakhs ton?

Raju Bista: Yes, we will be able to do per quarter.

Adityapal Jaggi: Obviously, because our H2 is heavy. H2 is heavy, but on an average, we can do it for 2.50 lakh tons, right?

Raju Bista: Yes.

Adityapal Jaggi: Sir, this export, last year, we had around ₹1,200 crores, ₹1,167 crores. In the next 3 years, because we are doing good capex including in API. Because you said that the opportunity in the Middle East and Canada is very good, how can this scale up? I mean, where this the export number of ₹1,100 crores go by FY'27?

Raju Bista: No, this year also, we will have around ₹1,100 crores, compared to ₹1,000 crores – 15% to 15% of steel pipes segment comes from export.. So, every year, assume value-add of ₹125 to ₹150 crores to this.

Adityapal Jaggi: Okay. And, sir, because your steel pipes and strips is the major segment, so, if you are saying that we will do about ₹6,000-₹6,500 in FY'27, then I can say that your EBITDA, on an absolute level, can improve considerably. It can go to about ₹750 crores to ₹800 crores. Is it right to believe this?

Raju Bista: Yes, absolutely.

Adityapal Jaggi: Okay. Sir, all the very best. I have all the questions. I will just email it to you all.

Raju Bista: Okay. Thank you so much. Wishing you all the very best.

Moderator: As there are no further questions from the participants, I now hand the conference over to Mr. B. B. Singal for closing comments.

B.B Singal: Thank you, everyone, for joining us today on this earnings call. We appreciate your interest in Surya Roshni Limited. I sincerely, once again, thank our MD sir and the CEOs for sparing their valuable time and addressing queries raised by participants who attended the call. For any further queries, if any, contact our SGA, our Investor Relations Advisors. Thanks. Good evening to all.

Moderator: Thank you. On behalf of Surya Roshni Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.