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& IS: 18001 Company



SURYA ROSHNI LIMITED

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SRL/21-22/74

October 26, 2021

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

Re: PRESS RELEASE- Q2– FY2021-22 RESULT HIGHLIGHTS

Dear Sir,

This is with reference to our letter dated 19th October, 2021 intimating the date of the Board Meeting of Surya Roshni Limited, we wish to intimate the Outcome of Board Meeting held on 26th October, 2021, wherein the Company has approved the following:

- Un-Audited Financial Results (Standalone and Consolidated) for the quarter / half year ended 30th September, 2021 along with the Limited Review Reports from the Statutory Auditors, M/S Ashok Kumar Goyal & Co. on the Un-Audited Financial Results - Standalone and Consolidated

In this regard please find attached the Press Release titled

Surya Roshni Limited: Q2FY22 Results Highlights-
Sustained Robust Performance, Underpinned by Strong Fundamentals

You are requested to kindly take the same on your records.

Thanking you,

Yours faithfully
For Surya Roshni Limited

B B SINGAL
Sr. V.P & COMPANY SECRETARY



Enclosed: as above

Surya Roshni Limited: Q2FY22 Results – Sustained Robust Performance, Underpinned by Strong Fundamentals

New Delhi, October 26, 2021: Surya Roshni Limited, the largest exporter of ERW Pipes, largest producer of ERW GI pipes and one of the largest Lighting Companies in India, has declared its unaudited financial results for the quarter and half year ended September 30, 2021.

Consolidated Financial Performance Highlights

Particulars (In ₹ Crores)	Q2 FY22	Q2 FY21	YoY%	Q1FY22	H1FY22	H1FY21	YoY%
Revenue	1,946	1,374	41.6%	1,453	3,399	2,261	50.3%
EBITDA	102	101	0.9%	93	195	145	34.4%
Profit after Tax (PAT)	44	42	5.7%	37	82	44	84.9%

- Long-term credit rating upgraded to AA- from A+
- Steel Pipes and Strips EBITDA/MT at Rs 4,060 a growth of 22.6% YoY for Q2FY22
- The company reported a sustained revenue growth momentum on YoY basis, primarily led by value-added products and higher steel prices (HRC) across the businesses.
- Further reduced the debt by Rs. 53 crores in Q2FY22 and finance cost has also reduced by 13% in Q2FY22.

Steel Pipe and Strips Performance Highlights

Particulars (In ₹ Crores)	Q2 FY22	Q2 FY21	YoY%	Q1FY22	H1FY22	H1FY21	YoY%
Revenue	1,604	1,048	53.0%	1,239	2,843	1,750	62.4%
EBITDA	75	67	11.9%	77	151	98	53.9%
EBITDA/MT (Rs.)	4,060	3,311	22.6%	5,033	4,502	2,981	51.0%
PBT	40	34	18.9%	43	83	35	135.9%

- Exports contributed 23% to total Steel Pipes business. **The volume and value growth is 50% and 178% respectively for Q2 FY22.**
- The product portfolio of Steel Pipes and Strips segment is continuously strengthening with increase in the share of value added products viz API Coated Pipes to 14%. **The volume and value growth has been 97% and 147%, respectively during Q2 FY22.**
- The prolonged rains, sluggish market conditions and high steel prices affected the volume growth in trade business. Further, volume growth and profitability could have been significantly better if the commodity prices would have remained stable.
- In Q2 FY22, the company continued to maintain healthy pace of order book in **exports and API coated pipes. The Order book stood over Rs. 1,000 crores including export orders of Rs. 350 crores.**

Lighting and Consumer Durables Performance

Particulars (In ₹ Crores)	Q2 FY22	Q2 FY21	YoY%	Q1FY22	H1FY22	H1FY21	YoY%
Revenue	342	329	4.0%	215	557	516	8.0%
EBITDA	28	35	-20.1%	16	44	47	-6.4%
PBT	20	23	-16.5%	8	27	25	10.8%

- LED revenue grew by 15% YoY during Q2FY22 backed by value added products like LED battens and downlighters. The share of new age products also increased in the product mix.
- Higher than anticipated decline in conventional lighting and inventory correction at the dealer level suppressed topline. The company undertook proactive price hikes from time to time, but higher raw material prices (metal and imported components), freight costs and gas prices had an impact on the EBITDA margin.
- The company won a tender of Rs. 41 crore (excluding GST) for installation LED streetlights with operation and maintenance of 7 years for Greater Noida Industrial Development Authority. The total order book of professional lighting (including monumental lighting) stood over Rs. 70 crore.

Commenting on the results, Company's Managing Director, Mr. Raju Bista, said

The company reported a sustained growth momentum on YoY basis, primarily led by strong contribution of value-added products across businesses. By maintaining the "Customer First" philosophy at its core, Surya Roshni over the period has transformed both Lighting & Consumer Durables and Steel Pipes & Strips businesses as self-sustaining, self-propelling businesses in terms of earnings, debt repayment and growth, leading to continuous upgrade in the credit rating. As Surya approaches towards its Golden Jubilee year in 2023-24, the company expects to accelerate the growth momentum further and endeavors to be a debt-free company.

In **Steel Pipes business**, The company has recorded a strong growth of more than 22% in EBITDA / MT driven by exports and API pipes. Capacity utilization of recently commissioned facilities remained at an optimal level. During the quarter the company also bagged its single largest export order of Rs. 115 crores. Going forward, the focus remains on increasing the share of value-added products like GI pipes, API coated pipes and exports in steel pipes and strips.

In **Lighting and Consumer Durables**, the company remains confident of maintaining a robust growth trajectory, largely driven by recovery in the economy, improved consumer sentiments and festive season during H2FY22. Favorable product mix towards value added products, LED battens, and Smart Lighting with proactive price increases is expected to drive the margin expansion. We are further expanding Salesforce Automation (SFA) for frontline sales force in 3 more regions and continuous automation and productivity improvements are being undertaken. The company has done an extensive Consumer Research to sharpen the company's brand positioning and has been continuously increasing the advertising spends with a vision to transform into a modern, innovative, progressive and agile brand. Having Ogilvy and Mather as our creative partners will further strengthen the value proposition in building the brand identity.

The company remains fully committed towards participating in the PLI scheme. Surya Roshni has applied under the 'Large Investment' category for manufacturing of components of LED lighting. This will enable to augment our manufacturing facility further through backward integration, leading to reduced reliance on imported components.

In pursuit of contributing to a more sustainable future, Surya Roshni has emerged as a frontrunner in the Steel Pipes & Strips and Lighting & Consumer Durables industry. With a continuous cost reduction, overhead rationalisation, value-added products, debt reduction and creating demand for different applications of its products, the company remains confident about the healthy growth across all the businesses.

Commenting on the results, Company's ED & Group CFO Mr. R.N. Maloo said, the company continued to deliver a sustained robust performance with revenue and PAT growth of 41.6% and 5.7% on a YoY basis. However, continuous input cost pressures, prolonged rains across the country and higher shipping freight due to shortage of containers and port congestion kept the margins suppressed.

The continuous focus on working capital optimization led to steady reduction of working capital cycle to 54 days in Q2FY22 (from 75 days in Q2FY21) for the company, Lighting & Consumer Durables to 67 days in Q2FY22 (from 93 days as of Q2FY21) and in Steel Pipes & Strips to 51 days in Q2FY22 (from 70 days as of Q2FY21). We continue to focus on further reduction of working capital. During Q2 FY22, the Company has reduced debt by Rs 53 Crores resulting into further improvement in Debt to Equity ratio to 0.46x in September 2021. The reduction in debt was driven by robust operating cashflows as well as working capital optimization.

The sustained earnings growth, working capital optimization, robust cashflow and continuous debt reduction has led to improvement in the return ratios, coupled with upgradation in the long-term credit rating to AA- and reaffirmation of top-notch short-term rating (A1+) which will further help in reducing the cost of debt.

About Surya Roshni Limited

Since its inception in 1973, Surya Roshni has transformed into an organization that has developed its Lighting & Consumer Durables and stronghold into the Steel Pipes & Strips. The company started with manufacturing of steel tubes in 1973, it then diversified by foraying into the Lighting in 1984, PVC pipes in 2010 and into Consumer Durables like fans and home appliances in 2014-15.

The Steel Pipes & Strips business manufactures a wide range of products and is the largest manufacturer of GI pipes in India and is the largest Exporter of ERW Pipes. The business has further strengthened with set-up of 3LPE Coating facility unit in 2018 (mainly to Oil & Gas and CGD sector), whereas being one of the largest Lighting Companies in India, the Lighting business manufactures an array of conventional to modern LED lightings. The Consumer Durable business offers a variety of fans and home appliances.

'Surya' Brand and 'Prakash Surya' have a strong presence of more than four decades in India. It enjoys strong Pan India presence with extensive dealer network in both of its segments i.e. Steel Pipes & Strips and Lighting & Consumer Durables.

Safe Harbor Statement

Statements in this document relating to future status, events, or circumstances, including but not limited to statements about plans and objectives, the progress and results of research and development, potential project characteristics, project potential and target dates for project related issues are forward-looking statements based on estimates and the anticipated effects of future events on current and developing circumstances. Such statements are subject to numerous risks and uncertainties and are not necessarily predictive of future results. Actual results may differ materially from those anticipated in the forward-looking statements. The company assumes no obligation to update forward-looking statements to reflect actual results changed assumptions or other factors.

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