



SURYA ROSHNI LIMITED

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SRL/22-23/23
August 13, 2022

The Secretary
The Stock Exchange, Mumbai
New Trading Ring, 14th Floor,
Rotunda Building, P.J.Towers,
Dalal Street, Fort,
MUMBAI - 400 001
Slip 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- Q1FY23 – SUSTAINED RESILIENT PERFORMANCE DRIVEN BY STRONG FUNDAMENTALS & IMPROVED PRODUCT MIX

Dear Sir,

This is with reference to our letter dated 4th August, 2022 intimating the date of the Board Meeting of Surya Roshni Limited, we wish to intimate the Outcome of Board Meeting held on 13th August, 2022, wherein the Company has approved the following:

- Unaudited Financial Results (Standalone and Consolidated) for the quarter ended 30th June, 2022 along with the Limited Review Reports from the Statutory Auditors, M/s. Ashok Kumar Goyal & Co. on the aforesaid Standalone and Consolidated Financial Results

In this regard please find attached the Press Release titled

Surya Roshni Limited: Q1FY23 Results Highlights- Sustained Resilient Performance Driven by Strong Fundamentals & Improved Product Mix

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

Thanking you,

Yours faithfully

For Surya Roshni Limited

B. B. SINGAL
CFO & COMPANY SECRETARY



Enclosed: as above

Surya Roshni Limited announces Q1FY23 Results – Sustained Resilient Performance Driven by Strong Fundamentals & Improved Product Mix

New Delhi, August 13, 2022: 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 ended June 30, 2022.

Consolidated Financial Performance Highlights

Particulars (In ₹ crore)	Q1 FY23	Q1 FY22	Change
Revenue	1,840	1,453	27%
EBITDA	71	93	(24)%
Profit after Tax (PAT)	22	37	(41)%

Q1FY23 Highlights

- Revenue grew by 27% in Q1 FY23 to ₹ 1,840 crore from ₹ 1,453 crore in Q1 FY22, with strong growth in value-added products across both the segments
- The margins remain subdued due to steep fall in steel and commodity prices during Q1FY23 impacted profitability of Steel pipes segment on short term basis and will be normalized, going forward.
- Prudent working capital management with cash conversion cycle remaining positive
- Lean Balance Sheet: Reduced debt by ₹ 109 crore in Q1FY23, finance cost has also reduced by 16% in Q1FY23.
- Debt Equity reduced to 0.30x as on 30th June 2022 as compared to 0.37x as on 31st March 2022.
- Benefits of cost moderation will reflect in the coming quarters.

Lighting and Consumer Durables Segment Performance

Particulars (In ₹ crore)	Q1 FY23	Q1 FY22	Change
Revenue	335	215	56%
EBITDA	22	16	33%
PBT	14	8	76%

Q1FY23 Highlights

- Robust revenue growth of **56%** in Q1FY23 driven by B2C as well as B2B business
- **79%** growth in LED Lighting revenue on YoY basis with a higher share of value-added products like LED battens, down-lighters, etc.
- Consumer Lighting witnessed strong growth of **60%** and will be further benefited with increased focus on dealers connect and range expansion.
- Professional Lighting continued its momentum of strong growth with **67%**.
- Consumer Durables grew by **46%** with strong focus on premium Fans category.
- Launched three new lighting products i.e. ACE-Ultra Slim LED Down lighters, SPARKLE Rope Light and Jag-Mag (Festive String Light) to capture upcoming festive season
- EBITDA grew by **33%** in Q1FY23 although impacted with higher input costs like natural gas, metal prices. The company took multiple price hikes to partly mitigate the higher input costs.
- Investment under PLI scheme is as per plan and will benefit with in house manufacturing of components and to reduces costs

Steel Pipe and Strips Segment Performance Highlights

Particulars (In ₹ crore)	Q1 FY23	Q1 FY22	Change
Revenue	1,504	1,239	21%
EBITDA	49	77	(36)%
EBITDA/MT (Rs.)	3,103	5033	(38)%
PBT	16	43	(62)%

Q1FY23 Highlights

- 21% growth in revenue, sustained growth in the share of value-added products.
- Steep price corrections in global markets resulted in massive destocking at the channel levels, impacting the volume growth and margins. However, further easing of commodity prices will improve revenue growth and profit margins, going forward.
- **Strong Orderbook of more than ₹ 1,000 crore in Exports and API Pipes.** The company had started supplies of its single largest order of 3LPE API coated pipes having total value of ₹ 608.6 crore received in April 2022.
- Witnessing consistent order flow in API Pipes and other value-added products due to strong demand from Oil & Gas, CGD and Water Transportation sectors.
- Successful operation at Malanpur of newly commissioned DFT technology-based manufacturing had started with ~40% capacity utilization in Q1FY23. It will enable Surya to further improve its presence in domestic as well as exports markets.

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

"The company posted a resilient set of numbers with top-line grew by 27%, amid numerous headwinds such as steep correction in commodity prices, constant depreciation in the domestic currency and sustained inflationary pressure, the performance on account of our healthy product mix driven by growing share of value-added products across Lighting and Consumer Durables and Steel pipes reflect our operational excellence. The company's resilience to external challenges underlines the company's brand equity, strong financial position and ability to deliver superior products across businesses.

In Lighting and Consumer Durables, the company continued to witness traction in new age lighting solutions with LED battens and LED down-lighters growing at 39% and 199%, respectively. LED lighting as a whole grew by 79% YoY during the quarter. The company has continued to strategically launch products in lighting and consumer durables as per the trends in the market.

The company has undertaken price hikes in the past few quarters to mitigate the impact of rising input costs. Benefit of cost moderation will accrue in near future. The company is closely monitoring the global and domestic events and remains well placed to weather the risks that may arise.

Initiatives under PLI scheme will improve in house production of components for LED lighting which will lower our dependency on outsourcing and improve costs. The replacement cost now stands at 6.7%, a significant reduction on QoQ basis.

The company has enhanced the focus on dealers relationship, new products introductions and BTL activities to further improve the brand equity. The company's R&D is focusing on reduction in replacement costs and be the first mover in smart and innovative lighting solutions. The company's marketing team has been successful in improving the presence and market share in Metro and Tier-1 cities along with deepening the existing strong presence in the rural markets. The fans segment witnessed a healthy demand growth during the quarter, driven by a severe heatwave situation across the country. The company will also continue to focus on participating in multiple Smart Lighting projects in Professional Lighting.

In the Steel Pipes and Strips, the company's performance in terms of realizations and profitability was affected as there was inventory rationalization by the dealers and distributors on account of a steep correction in global commodity prices. Although this has affected financial performance in the short term, we firmly believe that the long-term prospects for our Steel and Strips business remain intact, considering the enquiries generation, strong traction in the orderbook and growing share of new-age, value-added products and exports.

This, coupled with the recently inaugurated large-dia DFT manufacturing facility is expected to enhance the margin profile going forward.

The company will continue to invest in R&D, promotional activities and product launches along with working capital optimization and debt reduction to further create a value for the shareholders."

Adding further, Mr. Vinay Surya – Managing Director said,

"We are happy with the operational and financial performance of the company for Q1FY23 in the current scenario. Although there was an impact on the profitability mainly due to various ongoing macroeconomic challenges, the company's strong footing in the market and leadership position across lighting and steel pipes products allowed the company to rationalize the fixed costs and supply chain in order to defend the margins.

The Company has created a strong dealer and distributor network for Steel Pipes as well as Consumer Lighting across the country over the last four decades, especially into tier II , tier III and rural areas. The quality of the entire product range is at par with all the leading national and international specifications. The company's brands are well trusted by the customers, driven by the company's constant pursuit for excellence, the highest standards of quality and through the adoption of the latest technology. The company's prompt aftersales service has further enhanced the customer delight and satisfaction. The company also enjoys cordial relationships with all the stakeholders such as various government authorities, suppliers, customers, employees, bankers, etc. The company has recently augmented the emphasis on various ESG initiatives. We firmly believe that this will create a long-term value for our shareholders."

Commenting on the financial performance, Mr. Bharat Bhushan Singal – CFO said,

"For the quarter, Revenue grew by 27% to ₹ 1,840 crore from ₹ 1,453 crore, while EBITDA and PAT stood at ₹ 71 crore and ₹ 22 crore respectively on YoY basis from ₹ 93 crore, ₹ 37 crore respectively.

In Lighting & Consumer Durables, for the quarter, the Revenue, EBITDA and PBT grew by 56%, 33% and 76% respectively on YOY basis to ₹ 335 crore, ₹ 22 crore and ₹ 14 crore respectively.

In the Steel Pipes and Strips, during Q1FY23, the company witnessed revenue growth of 21% YoY. However, EBITDA/MT stood at ₹ 3,103 in Q1FY23.

The relentless focus on working capital optimization led to continuous reduction of working capital cycle on YOY basis to 57 days in Q1 FY23 (from 73 days in Q1 FY22) for the company, Lighting Consumer Durables to 71 days in Q1 FY23 (from 113 days as of Q1 FY22) and in Steel Pipes Strips to 54 days in Q1 FY23 (from 66 days as of Q1 FY22).

The steady revenue growth, lower debt, Working Capital optimization, cost rationalization and focus on debt reduction has led to improvement in Ratios, Debt Equity Ratio further improves to 0.30 as compared to 0.37 in FY22."

About Surya Roshni Limited

Since its inception in 1973, Surya Roshni has transformed into an organization that has developed its Lighting & Consumer Durables business and built a stronghold in the Steel Pipes & Strips business. The company started with manufacturing of steel tubes in 1973, it then diversified by foraying into 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 lighting. 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 businesses 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.

For further information, please contact:

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