

SRL/22-23/47  
November 10, 2022

**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, 5<sup>th</sup> floor  
Plot No. C/1, G Block  
Bandra Kurla Complex, Bandra (E)  
**Mumbai – 400 051**  
NSE Symbol: SURYAROSNI

**Re: PRESS RELEASE- Q2 & H1FY23 RESULTS HIGHLIGHTS**

Dear Sir,

This is with reference to our letter dated 31<sup>st</sup> October, 2022 intimating the date of the Board Meeting of Surya Roshni Limited, we wish to intimate the Outcome of Board Meeting held on 10<sup>th</sup> November, 2022, wherein the Company has approved the following:

- Unaudited Financial Results (Standalone and Consolidated) for the quarter and half year ended 30<sup>th</sup> September, 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: Q2 & H1FY23 Results Highlights-**  
**Continued healthy Performance underpinned by inherent fundamental strength**

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 Q2 & H1 FY23 Results – Continued healthy performance underpinned by inherent fundamental strength

**New Delhi, November 10, 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 and half year ended September 30, 2022.

### Consolidated Financial Performance Highlights

Particulars (In ₹ crore)	Q2 FY23	Q2 FY22	Change	H1 FY23	H1 FY22	Change
Revenue	1,984	1,946	2%	3,824	3,399	13%
EBITDA	131	102	28%	202	195	3%
Profit after Tax (PAT)	68	44	54%	90	82	11%

- The company reported a sustained growth momentum on a YoY basis, primarily led by value-added products across the products.
- Continued to undertake multiple price hikes to partly mitigate the higher input costs.
- **Steel Pipes and Strips EBITDA/MT at Rs 5,259 a growth of 30% YoY for Q2FY23.**
- Cash conversion cycles remained positive, driven by prudent financial acumen. The working capital days have remained largely stable at 60 days as compared to 62 days in H1FY22.
- Reduced debt by ₹ 72 crore in H1FY23, finance cost also reduced by 26% in H1FY23. Debt Equity reduced to 0.31x as on 30th September 2022 as compared to 0.37x as on 31st March 2022.

### Lighting and Consumer Durables Segment Performance

Particulars (In ₹ crore)	Q2 FY23	Q2 FY22	Change	H1 FY23	H1 FY22	Change
Revenue	383	342	12%	718	557	29%
EBITDA	31	28	12%	53	44	20%
PBT	23	20	17%	37	27	34%

- Q2FY23 witnessed 12% growth across all business divisions of B2C and B2B, on a YoY basis. Similarly, H1FY23 grew by 29% with growth in most businesses.
- LED revenue grew by 29% and 48% YoY during Q2FY23 and H1FY23 respectively backed by value added products like LED battens and downlighters.
- Professional Lighting witnessed 37% and 49% growth in revenue for Q2 and H1FY23, along with good inflow of orders.
- LED lighting bulbs replacement cost continued to witness a major reduction.
- Continued aggressive advertisement and marketing campaigns through TV advertisements, print and digital media to strengthen brand equity.
- Capex for PLI scheme is ongoing as per the plan.

## Steel Pipe and Strips Segment Performance Highlights

Particulars (In ₹ crore)	Q2 FY23	Q2 FY22	Change	H1 FY23	H1 FY22	Change
Revenue	1,601	1,604	-	3,106	2,843	9%
EBITDA	100	75	34%	149	151	-1%
EBITDA/MT (Rs.)	5,259	4,060	30%	4,283	4,502	-5%
PBT	68	40	70%	85	83	2%

- Healthy performance in terms of EBITDA/MT despite falling steel prices.
- Volume growth of 4% in Q2FY23 despite the flattish revenue growth. Huge correction of the steel prices globally triggered the destocking at dealer level which impacted the revenue growth.
- Continued robust order inflow and enquiry generation in exports and API coated pipes. **The Order book stood at ₹ 845 crores.**
- Successfully ramped up operations at the new DFT technology-based manufacturing at Malanpur with 56% capacity utilization in Q2FY23.

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

*"The company reported healthy performance on financial as well as operational metrics despite challenging business environment such as rising interest rates, strengthening of USD, import parity, volatile ocean freight and rising input costs. However, these external challenges were mitigated by strong inherent fundamentals, product mix, brand equity, financial acumen, lean balance sheet and excellent execution by our team.*

***In Lighting and Consumer Durables, Q2 and H1 FY23 revenue grew by 12% and 29% YoY respectively, driven by an improved product mix. The company's new-age lighting products continued to grow at a healthy pace with LED down-lighters growing at 63% and 100%, for Q2 and H1FY23 respectively. LED lighting as a whole grew by 29% YoY during the quarter. The Professional Lighting business is doing well and has registered a growth of 37% and 49% in Q2 and H1FY23, respectively. Consumer durables witnessed strong traction towards the end of Q2FY23 driven by the ongoing festive season. The company expects this traction to continue in Q3FY23 as well. The company has a strong product launch in pipeline for lighting as well as consumer durables which is in-line with current market trends.***

*The company continued to undertake price hikes to mitigate the impact of rising input costs. The softening commodity prices from Q2FY23 onwards along with these price hikes will help the company to improve margin profile in the near future. The company is proactively tracking all global and domestic events and utilizing all the possible means at its disposal to counter the impacts of such events.*

*The company's capex under PLI scheme will further lower outside dependency and improve internal efficiencies along with reduction in costs. The company is continuously adopting modern processes and automation for productivity enhancement and supply chain optimization. The company has built strong and extensive capabilities and competence in design and manufacturing. The company's past investment in the R&D and modern electronics to reduce replacement costs has boded well. The replacement cost now stands at 5.9%, a significant reduction on YoY as well as QoQ basis. As a result, the company remains well-placed to offer innovative products at a competitive price without compromising on quality.*

*The company has also accelerated branding and marketing activities along with a focus on R&D to launch trendy and innovative products and enhance dealer engagement. The company has successfully penetrated the Metro and Tier-1 cities market further along with deepening the existing rural network.*

*The consumer durables segment is witnessing a healthy demand growth, driven by the ongoing festive season 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 revenue and profitability was affected on account of a steep correction in global commodity prices. However, EBITDA/MT improved significantly by **30% on a YoY basis to Rs. 5,259 in Q2FY23**, driven by a healthy product mix due to increased share of value-added products. We firmly believe that these headwinds are transient in nature and the company will grow Steel and Strips business significantly in the long term.*

*Lastly, I would like to **welcome Mr. Jitendra Agrawal as CEO – Lighting and Consumer Durables**. He is a young, dynamic and a renowned professional with 27 years of rich experience in the Lighting and Electrical Industry. We are confident that under his leadership, the company's lighting business will touch new highs".*

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

*"The company reported a robust set of numbers with healthy expansion in EBITDA margin and healthy bottom-line growth which was mainly on account of growing share of value-added products, improved working capital cycle and a significant reduction in debt.*

*In Lighting and Consumer Durables, new-age products like LED Battens and Downlighters and Consumer Durables continued to drive the growth. The growth momentum was further underpinned by the ongoing festive season which drove the growth for consumer durables towards the end of Q2FY23. We expect the demand to continue in H2FY23 as well for consumer durables. The company has also accelerated its focus on growing the penetration of the induction and gas cooktops product line. The company has undertaken a host of measures for productivity and efficiency enhancement. After successfully rolling out salesforce automation for productivity enhancement, **the company is implementing the SAP system for further improvement in efficiency and productivity.***

*In the Steel Pipes and Strips, the company continued to focus on growing the orderbook, especially for value-added products and exports. The company has an **orderbook of ₹ 845 crores, which provides significant revenue visibility**. The strong order book for exports, API coated pipes & Spiral pipes are expected to drive the higher revenue growth in Steel Pipes and strips business with improvement in profit margins, going forward. The company's recently commissioned Large-dia section pipe facility with Direct Forming Technology (DFT) at Gwalior will be the key enabler to drive the growth further.*

*The company is progressing well on the long-term strategic agenda of creating a sustainable value creation across all businesses through financial prudence, professional management, healthy balance sheet and cost optimization.*

*The Indian economy has shown resilience amid global uncertainties and high frequency indicators are pointing towards a significant uptick in the economic activity. We continue to remain confident in India's growth story and firmly believe that Surya Roshni would be one of the key beneficiaries".*

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

*"For the **quarter, Revenue, EBITDA and PAT grew by 2%, 28% and 54%** respectively on YoY basis. For H1FY23, the revenue was ₹ 3,824 crore as compared to ₹ 3,399 crore. EBITDA and PAT stood at ₹ 202 crore and ₹ 90 crore as compared to ₹195 crore and ₹ 82 crore, respectively.*

*In Lighting & Consumer Durables, for the quarter, the revenue stood at ₹ 383 crore as against ₹ 342 crore, up 12% YoY. EBITDA and PBT stood at ₹ 31 crore and ₹ 23 crore, up 12% and 17% YoY respectively. For the half year, the revenue stood at ₹ 718 crore as against ₹ 557 crore, a growth of 29% YoY. EBITDA and PBT stood at ₹ 53 crore and ₹ 37 crore, a growth of 20% and 34% respectively.*

*In the Steel Pipes and Strips, during Q2FY23, the company's revenue remained largely flattish to ₹ 1,601 crore. EBITDA and PBT grew 34% and 70% respectively to ₹ 100 crore and 68 crore, respectively. EBITDA/MT stood at ₹ 5,259 compared to ₹ 4,060 YoY. For H1FY23, revenue grew by 9% YoY, to ₹ 3,106 crore while PBT grew by 2% YoY.*

*The company has reduced debt by ₹ 72 crore in H1FY23 and has become long-term debt free. As a result, finance cost reduced by 26% in H1FY23. Debt Equity reduced to 0.31x as on 30th September 2022 as compared to 0.37x as on 31st March 2022.*

*RoCE has improved by 530 basis points to 19.6% for Q2FY23 from 14.3% in Q2FY22, while RoE has improved by 445 basis points to 17.1% in Q2FY23 from 12.6% in Q2FY22. RoCE has remained largely stable at 13.8% for H1FY23 compared to 13.7% in H1FY22, RoE stood at 11.9% in H1FY23 compared to 11.7% in H1FY22.*

*The working capital cycle remained largely stable in a sequential basis at 58 days in Q2FY23 (from 57 days in Q1FY23), for the company, Lighting and Consumer Durables to 66 days in Q2FY23 (from 71 days in Q1FY23), and in Steel Pipes and Strips to 56 days in Q2FY23 (from 54 days in Q1FY23)".*

## **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.

## **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.

For further information, please contact:

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## Company

# SURYA

*Energising Lifestyles*

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