



# SURYA ROSHNI LIMITED

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SRL/21-22/52  
July 31, 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, 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- Q1- FY2021-22 RESULT HIGHLIGHTS**

Dear Sir,

This is with reference to our letter dated 23<sup>rd</sup> July, 2021 intimating the date of the Board Meeting of Surya Roshni Limited, we wish to intimate the Outcome of Board Meeting held on 31<sup>st</sup> July, 2021, wherein the Company has approved the following:

- Un-Audited Financial Results (Standalone and Consolidated) for the first quarter ended 30<sup>th</sup> June, 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

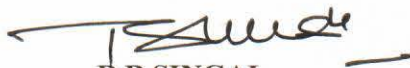
In this regard please find attached the Press Release titled

**“Surya Roshni Limited: Q1 FY2021-22 Result Highlights”**

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

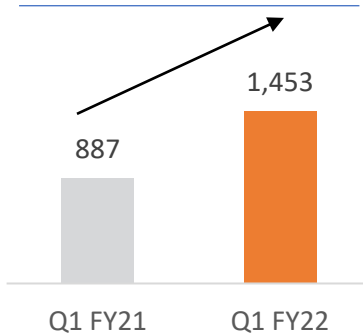
## Surya Roshni Limited: Q1FY22 Results – Robust Performance Driven by Strong Fundamentals

- ✓ Revenue grew by 64% YoY to Rs. 1,453 crores
- ✓ EBITDA grew by 112% YoY to Rs. 93 crores
- ✓ Cash Profit grew by 221% YoY to Rs. 76 crores
- ✓ Highest ever EBITDA/tonne of Rs. 5,033/MT in Steel Tubes & Pipes
- ✓ Granted 9.17 lakh ESOPs in 2<sup>nd</sup> tranche to 234 key executives and employees (cumulative 2.8% of the equity) under Trust Route
- ✓ Participating in PLI scheme under ‘**Large Investment Category**’ for manufacturing of ‘**Components of LED Lights**’
- ✓ Appointed Ogilvy & Mather as creative agency to work on brand building for Surya

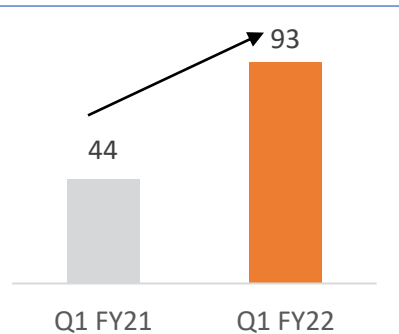
**New Delhi, July 31, 2021:** Surya Roshni Ltd. has announced its un-audited financial results for the quarter ended 30<sup>th</sup> June 2021.

### Quarterly Consolidated Performance

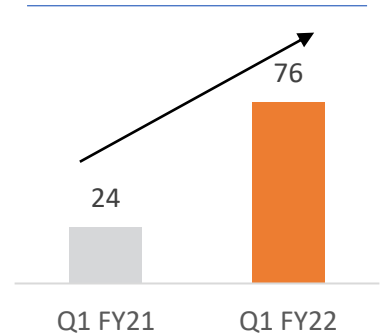
**Revenue: +64% (YoY)**



**EBITDA: +112% (YoY)**



**Cash Profit: +221% (YoY)** (Rs. crore)



### Key Highlights (Lighting & Steel)

- EBITDA Margins improved by 144 bps to 6.41% in Q1 FY22 from 4.96% in Q1 FY21
- Finance Cost reduction by 17% in Q1FY22 to Rs. 17 crores as compared to Rs. 20 crores in Q1FY21
- Reported PBT of Rs. 51 crores in Q1 FY22 as compared to Rs. 3 crores in Q1 FY21
- Reported PAT for Q1 FY22 Rs. 37 crores as compared to Rs. 2 crores in corresponding Q1 FY21
- Diluted EPS of Rs. 6.86 for Q1 FY22 as compared to Rs. 0.41 in Q1 FY21
- Continuous reduction in debt (prepayment of term loans of Rs. 102 crores during Q1 FY22) led to further improving in Debt to Equity Ratio to 0.51
- Working Capital days improved to 73 days as on 30<sup>th</sup> June 2021 from 123 days as on 30<sup>th</sup> June 2020

**Lighting and Consumer Durables Performance**

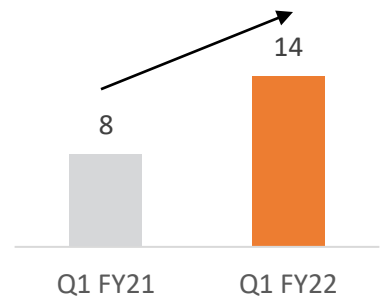
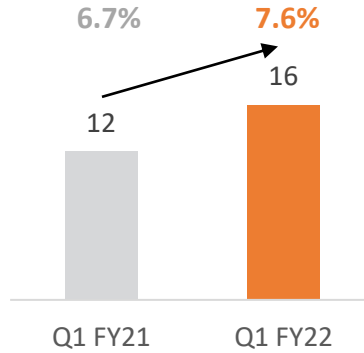
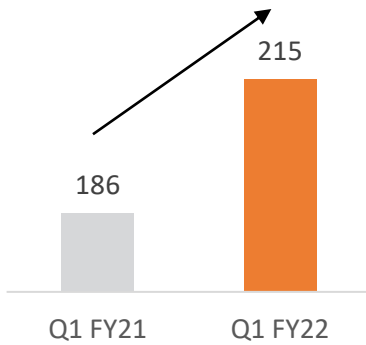
(Rs. crore)

**Revenue: +15% (YoY)**

**EBITDA: +31% (YoY)**

**Cash Profit: +83% (YoY)**

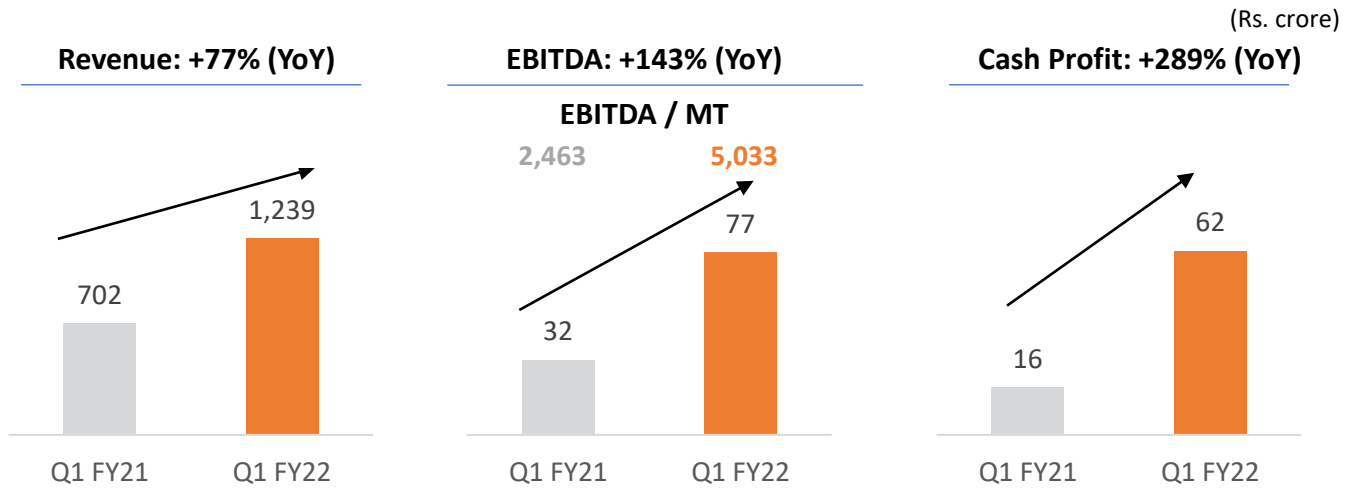
**Margin**



**Key Highlights for the Quarter**

- Revenue growth driven by 51% growth in Consumer Lighting – B2C
  - LED lighting grew by 29% whereas Conventional lighting de-grew by 14%
  - Witnessed healthy growth across the regions
- EBITDA Margins improved to 7.6% in Q1 FY22 from 6.7% in Q1 FY21
- Registered PBT growth of 483% in Q1 FY22 to Rs. 8 crores from Rs. 1.4 crores in Q1 FY21
- Registered PAT of Rs. 6 crores in Q1 FY22 as compared to Rs. 1.2 crores in Q1 FY21
- Continuous price hikes to mitigate raw material cost pressure
- Compression on Profitability on account of under-utilization of plants in Q1 due to COVID-19
- Smart Lighting, Professional and Monumental lighting are well accepted. Company receiving regular orders
- Few projects completed during the quarter are Sangam International Cricket Ground - Bhilwara, Cricket Stadium – Hyderabad, Bhandari Bridge façade, Amritsar, NHAI – Vadodara Mumbai Expressway
- Working Capital days improved to 113 days as on 30<sup>th</sup> June 2021 from 208 days as on 30<sup>th</sup> June 2020

**Steel Pipe & Strips Performance**



**Key Highlights for the Quarter**

- Volume growth of 22% in Q1 FY22 on YoY basis
- **Ever Highest EBITDA/MT at Rs 5,033** as against Rs 2,463 in Q1 FY21 and Rs. 4,251 achieved in Q4 FY21
  - Timely commissioning of 3LPE coated facility leading to robust orders execution resulted in API Coated Pipes registering strong growth of 112%
  - International prices higher as compared to domestic prices resulting in export growth (value and volume growth of 109% and 36% respectively)
  - Higher contribution from API Coated Pipes, Exports and GI Pipes led to highest ever EBITDA / MT
- Reported PBT of Rs. 43 crores in Q1 FY22 compared to Rs. 2 crores in Q1 FY21
- Reported PAT of Rs. 31 crores in Q1 FY22 as compared to Rs. 1 crore in Q1 FY21
- Strong order book of **Rs. 847 crore** in hand for API coated pipes as on 30<sup>th</sup> June 2021 with order inflow aggregating to Rs. 614 crores during Q1 FY22
- Working Capital days improved to 66 days as on 30<sup>th</sup> June 2021 from 101 days as on 30<sup>th</sup> June 2020

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

Even in such a difficult and challenging environment due to the 2nd wave of the COVID-19 pandemic, we have been able to improve our operations and achieve growth on the revenue as well as profitability front. Our revenue for Q1 FY22 grew by 64% to Rs. 1,453 crores, EBITDA grew by 112% to Rs. 93 crores and cash profit registered a growth of 221% to Rs. 76 crores.

With availability of vaccines and strong improvement in the pace of vaccination, we are witnessing the growth momentum returning. The regional lockdowns which were imposed to curb the spread of COVID-19 are being relaxed which provides a foundation for the growth momentum to continue in the coming quarters.

During Q1 FY22, the **Steel Pipes and Strips Business** performance demonstrated a strong growth inspite of twin challenges it faced in form of high prices of raw material and 2<sup>nd</sup> wave of COVID-19 led restriction resulting in low demand. The raw material prices in the international market have been on an uptrend since April 2020, with a peak around mid of May 2021. However, the domestic prices continued their upward trajectory till June 2021, which affected the dealer sentiment, in turn impacting the lifting of volumes. Having said that, with domestic prices stabilizing at current levels and strengthening of international prices again, we are seeing subdued demand during July 2021 however, we expect remaining quarter to be better.

We have tried to mitigate this by our continuous pursuit to increase share of high value, margin lucrative products like API Coated Pipes, Exports, Value Added and GI pipes. As a result, we reported a revenue growth of 77% to Rs. 1,239 crores, EBITDA growth of 143% to Rs. 77 crores with highest ever EBITDA/ MT of Rs. 5,033 compared to Rs. 2,463 in Q1FY21. The cash profit also witnessed a strong growth of 289% to Rs. 62 cores for Q1 FY22 when compared on a YoY basis. This performance was led by a strong growth of 109% in value terms and 36% in volume terms for Exports along with API Coated pipes registering a growth of 112% due to the timely commissioning of 3 LPE coated facility resulting in robust orders execution. Our strong orderbook of Rs. Rs 847 crore in hand for API coated pipes as on 30th June 2021 will be one of the key growth catalyst. The strong demand in exports markets coupled with better pricing gives us confidence to achieve around 30% Exports volume growth in FY22. The commissioning of the 72,000 MTPA capacity for large dia Section Pipes (upto 300 X 300 mm) with Direct Forming Technology (DFT) at Gwalior unit by next quarter will also aid the growth momentum.

We remain sanguine about steel consumption and demand for steel tubes and pipes driven by increasing economic activities and wider reach of the vaccination program. India is well on track to become a preferred destination driven by various initiatives by the government such as Make in India, Vocal for Local, PLI schemes and China plus one strategy. We are participating in tenders under the various government initiatives like Jal Jeevan Mission and City Gas Distribution across India and have received a good quantum of orders. Also from a long term perspective, the decreasing share of unorganized, small players and increasing presence of larger, organised players is expected to result in better opportunities and margins for the larger players especially in ERW segment which has been the most fragmented segment historically.

Our **Lighting and Consumer Durables Business** has also registered growth which is driven by strong growth in value added products like LED Lighting. LED Lighting grew by 29%, whereas Conventional products de-grew by 14%, with overall Consumer Lighting registering a 51% growth. We have witnessed healthy growth across all regions even in the face of the COVID-19 2nd wave. The plant remained under-utilized in May and June 2021 due to spread of 2<sup>nd</sup> wave of COVID-19, along with higher prices of natural gas resulted into compressed profitability for the quarter. During the quarter we also observed increase in Raw material prices and we are passing on the same with continuous price hikes.

We have also witnessed a strong momentum of projects inflow for our Professional Lightings business, where we have completed several marquee projects like Bhandari Bridge façade at Amritsar, Cricket Stadium at Hyderabad, Vadodara Mumbai Expressway project by NHAI. We also have several projects under implementation like Façade Lighting of Kesariya Stupa, Guwahati and Lucknow Airport project and additional projects from NHAI like Aurangabad Karodi NH and Delhi Vadodara package 5 & 6. We have also won few projects like Nandgaon Façade Lighting, Deogarh Stadium at Bhilwara, Delhi Vadodara Package 22 and Tallah Bridge at Kolkata by NHAI.

We remain confident of maintaining the growth trajectory that we have witnessed during FY21. Favorable product mix towards value added products is expected to drive the margin expansion. We are focusing on certain products like **LED battens and downlighters, high value product mix and smart lighting** which have good growth potential. To augment the growth momentum further, we will continue to launch innovative smart lighting solutions. We are working on certain in-house automation initiatives at our manufacturing facilities. Consumer Lighting, Professional Lighting and Consumer Durables are expected to drive our growth as we keep on introducing new products in our transition to being a FMEG Company.

The **PLI scheme** for manufacturing of '**Components of LED Lights**' will enable accelerated growth in the medium term as we are participating under the '**Large Investment**' category. We are planning a minimum cumulative investment of Rs. 25 crores and targeting a minimum incremental revenue of Rs. 450 crore. This will also enable us to augment our manufacturing facility further through backward integration, leading to reducing reliance on imported components.

To further enhance our brand building initiatives, we have appointed **Ogilvy & Mather** as our creative agency from June 2021. Ogilvy will work with us on brand building, and on developing advertising campaigns across TV, Print, Digital etc.

We firmly believe in creating value for all the stakeholders, including our employees. In continuation with our policy of rewarding employee's dedication and hard work, the Company has **granted 9.17 lakh ESOPs in the 2nd tranche** to 234 key executives and employees under Trust Route (cumulative 2.8% of the equity).

On the vaccination front, 100% employees at our Corporate Office and 85% employees at manufacturing locations and branch offices have been vaccinated.



Keeping in mind the responsibility towards the nation in these difficult times, the Surya Roshni family played a small part by **repurposing its existing industrial oxygen manufacturing facility** at Gwalior Lighting plant to produce oxygen for medical use. The medical oxygen was supplied to Madhya Pradesh local administration for use by hospitals and individuals in urgent need of oxygen. As part of this initiative, we have so far donated 13,000+ Jumbo oxygen cylinders, and would continue to contribute towards the greater good.

We remain confident about the opportunities across all our businesses. Focus on value added products offering along with improving operating efficiencies will enable us to achieve growth and create value for all Stakeholders.

### **Commenting on the results, Company's ED & Group CFO Mr. R.N. Maloo said,**

The company continued to deliver a robust performance. For Q1 FY22, the revenue grew by 64% on YoY from Rs. 887 crores to Rs. 1,453 crores, whereas EBITDA registered a growth of 112% YoY from Rs. 44 crores to Rs. 93 crores along with 144 basis point improvement on EBITDA margin front from 4.96% to 6.41%.

Our relentless efforts to reduce finance cost continues to yield results, with a 17% reduction on YoY basis which also resulted in strong growth of Cash Profit of 221% from Rs. 24 crores to Rs. 76 crores on YoY basis. During the quarter we have prepaid term loan to the tune of Rs. 102 crores thus resulting in improvement of net debt to equity ratio to 0.51, along with lower interest outgo.

Even during the current challenging quarter, we have been able to rein-in the working capital days. Overall, as a company, we have been able to improve working capital days to 73 days as on 30th June 2021 from 123 days as on 30th June 2020.

**For Steel Pipes & Strips**, revenue grew by 77% in Q1 FY22 to Rs. 1,239 crore from Rs. 702 crore in Q1 FY21. EBITDA grew by 143% in Q1FY22 to Rs. 77 Crores compared to Rs. 32 Crores in Q1FY21. We achieved ever highest EBITDA per ton of Rs. 5,033 in Q1 FY22 (from Rs. 2,463 in Q1 FY21). Cash Profit grew by 289% in Q1 FY22 to Rs. 62 crore from Rs. 16 crore in Q1 FY21. On the working capital front, we witnessed an improvement to 66 days as on 30th June 2021 from 101 days as on 30th June 2020.

**For Lighting & Consumer Durables**, revenue grew by 15% in Q1 FY22 to Rs. 215 crore from Rs. 186 crore in Q1 FY21. EBITDA grew by 31% in Q1FY22 to Rs. 16 Crores compared to Rs. 12 Crores in Q1FY21. The EBITDA margin for the Lighting & Consumer Durables saw an improvement of 93 basis points from 6.7% in Q1 FY21 to 7.6% in Q1 FY22. Cash Profit grew by 83% in Q1 FY22 to Rs. 14 crore from Rs. 8 crore in Q1 FY21. There was a sharp improvement on working capital front to 113 days as on 30th June 2021 from 208 days as on 30th June 2020.

With resuming of economic activity and normalcy returning pan India post the 2nd wave of COVID-19, we are confident of robust performance in the coming quarters, which will be driven by strong fundamentals across our product portfolio.

## About Surya Roshni Limited

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

The Steel Pipes & Strips 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 a leading Lighting Company in India, the Lighting Business manufactures an array of conventional to modern LED lighting. Consumer Durable 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 a 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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