



SURYA ROSHNI LIMITED

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SRL/se/yks/24-25/04
May 14, 2024

The Secretary
The Stock Exchange, Mumbai
MUMBAI - 400 001
Scrip Code: 500336

The Manager (Listing Department)
The National stock Exchange of India Ltd
Mumbai – 400 051
NSE Symbol: SURYAROSNI

Re: PRESS RELEASE- Q4 & FY24 RESULTS HIGHLIGHTS

Dear Sirs,

This is with reference to our letter dated 6th May, 2024 intimating the date of the Board Meeting of Surya Roshni Limited, wish to intimate the Outcome of Board Meeting held on 14th May, 2024, wherein the Company has approved the following:

- Audited Financial Results (Standalone and Consolidated) for the fourth quarter/financial year ended 31st March, 2024 along with Auditors' Report with unmodified opinion on the aforesaid Standalone and Consolidated Financial Results from the Statutory Auditors, M/s. Ashok Kumar Goyal & Co.

In this regard please find attached the Press Release titled:

Surya Roshni Limited announces Q4 & FY24 Results

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

Encl: as above

Surya Roshni Limited announces Q4 & FY24 Results

- ✓ Achieved the highest ever quarterly volumes in the steel pipes segment
- ✓ Successfully reduced debt by ₹ 400 crore in FY24, attaining a zero-debt status
- ✓ Lighting and Consumer Durables business reported an excellent profit growth in FY24
- ✓ Recommended final dividend of ₹ 2.50 per share on face value of ₹ 5 each for FY24 in addition to the interim dividend of ₹ 2.50 per share already paid in November 2023

New Delhi, May 14, 2024: 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 audited financial results for the quarter and financial year ended March 31, 2024.

Consolidated Financial Performance Highlights

Particulars (In ₹ crore)	Q4 FY24	Q4 FY23	Change	Q3 FY24	Change	FY24	FY23	Change
Revenue	2,080	2,151	(3%)	1,938	7%	7,809	7,997	(2%)
EBITDA	173	254	(32%)	158	9%	586	620	(5%)
Profit Before Tax (PBT)	139	215	(35%)	121	15%	445	459	(3%)
Profit After Tax (PAT)	104	156	(33%)	90	15%	329	336	(2%)

- The company reported slight dip in revenue by 2% & EBITDA by 5% in FY24 on account of significant headwinds
- EBITDA margins for Q4FY24 and FY24 stood at 8.30% and 7.51%, respectively
- We are now a Zero-debt company. We reduced our debt by ₹ 400 crore in FY24 and have cash surplus of ₹ 65 crore

Lighting and Consumer Durables Segment Performance

Particulars (In ₹ crore)	Q4 FY24	Q4 FY23	Change	Q3 FY24	Change	FY24	FY23	Change
Revenue	418	431	(3%)	403	4%	1,572	1,545	2%
EBITDA	45	42	5%	38	17%	150	122	23%
EBITDA Margins	10.66%	9.84%	82 bps	9.33%	133 bps	9.57%	7.92%	165 bps
PBT	36	35	5%	30	21%	120	90	32%

- In spite of significant price erosion in consumer lighting business, we recorded an annual revenue growth of 2% and stands at ₹ 1,572 crore in FY24
- Strong volume growth coupled with better product-mix in favor of higher margin value products and cost savings on back of PLI led backward integration resulted in strong operating profitability
- EBITDA margins for Q4FY24 stood at 10.66% as against 9.84% for the same quarter last year
- Professional lighting business has witnessed high-teen digit growth in Q4 and more than 20% in FY24 driven by infrastructure as well as industrial projects
- Led Batten & LED Downlighter verticals saw healthy volume growth in FY24
- In FY24, the fan business recorded mid-teens growth, while the appliances segment grew by robust 20%
- Net Working Capital: 76 days in Q4FY24 as against 70 days in Q3FY24

Steel Pipe and Strips Segment Performance Highlights

Particulars (In ₹ crore)	Q4 FY24	Q4 FY23	Change	Q3 FY24	Change	FY24	FY23	Change
Revenue	1,665	1,721	(3%)	1,536	8%	6,242	6,452	(3%)
EBITDA	128	212	(39%)	121	6%	436	497	(12%)
EBITDA/MT (₹)	5,877	9,868	(40%)	6,156	(5%)	5,401	6,496	(17%)
PBT	103	181	(43%)	91	13%	325	369	(12%)

- In Q4FY24, the steel pipes segment recorded its highest ever quarterly volumes of 2.36 lakh tons and witnessed a volume growth of 4% in Q4FY24 and growth of 6% in FY24 inspite of the B2B business witnessed a temporary slowdown on account of General Elections
- Despite significant reduction in steel prices in Q4FY24, we witnessed only a slight dip in our overall sales revenue
- Exports registered a volume growth of 12% in FY24
- EBITDA/Ton for the quarter stood at ₹ 5,877, as compared to ₹ 9,868 the same quarter last year – this is on account of muted value-added product sales & loss in inventory
- Strong in - hand order book of ₹ 800 crore as on 31st March 2024 for Oil & Gas sector, Water Sector and Exports business
- Net Working Capital: 55 days in Q4FY24 as against 69 days in Q3FY24

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

“The overall performance of the company in FY24 has been satisfactory given the headwinds in both our business verticals of Steel Pipe business & Lighting and Consumer Durable business. We firmly believe that these headwinds are temporary, and the company is poised for sustained growth in both the businesses.

EBITDA for FY24 stood at ₹ 586 crore as compared to ₹ 620 crore last year. There was slight dip in our overall EBITDA margins primarily on account of significant dip in operating margin of steel pipes business which was slightly offset by improved margins in lighting and consumer durable business. We registered PAT of ₹ 329 crore in FY24, similar to what we had recorded in FY23.”

“In Lighting and Consumer Durables, we experienced good results in FY24. Overall sales witnessed a growth of 2% and EBITDA increased by 23% in FY24 as compared to previous year, signaling improved operational efficiency and effective cost management.

Our professional lighting segment notably grew in Q4FY24 by approximately 20%, demonstrating strong market acceptance and a robust order book. Consumer durables, including fans, water heaters, irons, kitchen appliances, and festival lighting products, all posted double-digit growth, reflecting high consumer satisfaction and market penetration.

Throughout the year, our focus on design quality and manufacturing excellence has significantly reduced warranty related costs for LED products, placing us at the forefront of industry standards. Both lighting plants met productivity targets, benefiting from numerous automation and process improvement projects. This focus on operational efficiency not only enhanced our performance metrics but also supported our profitability, with EBITDA margins improving from 7.9% to 9.6% over the fiscal year.

Despite a challenging market environment with subdued demand for consumer durable products in the last quarter, our engagement strategies with over 25,000 key retailers and innovative marketing activations have kept our brand highly visible and competitive. The introduction of new product lines, particularly in the premium category, has successfully enriched our product mix, further bolstering our market standing.

Looking forward, we expect the lighting and consumer durables industry to continue experiencing growth, driven by increasing consumer aspirations and government spending on infrastructure. Our strong position in both B2C and B2B segments, along with our focus on high-quality, innovative products, positions us well to capitalize on these opportunities. Our ongoing investments in technology and product development, along with strategic market expansions, are expected to drive sustained growth and profitability in the upcoming fiscal years."

***"In the Steel Pipes and Strips**, the company achieved the highest ever quarterly volumes despite challenging market conditions and electoral season. However, the company demonstrated resilience, managing only a slight dip in sales revenues due to decline in steel prices. This success is attributed to our strong presence in the API pipes segment and robust export performance, which collectively constituted 29% of our total volume sales. The downturn in steel prices led to an EBITDA/Ton of ₹5,877, on account of muted value-added product sales & loss in inventory.*

The current Government's 2024 manifesto has given a lot of impetus to infrastructure projects which includes overbridges, new airports and railway station redevelopment. The designs of these projects are such that it will generate robust demand for DFT pipes. The manifesto also includes a promise to expand city gas distribution (CGD) networks across India, which will drive growth. We also expect healthy volume growth in API pipes business as well. We also supply GI section pipes to solar utility projects, which are likely to witness rampant installation over the upcoming years.

We are actively expanding our operational capacity - aimed at increasing our monthly production capacity by 12,000 to 15,000 tons - to meet anticipated market demand. These expansions will enhance our ability to serve growing market needs, particularly in water infrastructure and energy sectors. With steel prices stabilizing and the government's increased focus on infrastructure development, we expect healthy demand across our product lines.

Our strong order book of ₹800 crore, particularly in the oil & gas and water sectors, along with a solid export portfolio, underscores the company's robust financial health and operational efficiency. Improved working capital cycles and strategic raw material sourcing further strengthen our market position. We will continue to innovate, adapt, and grow, driven by a commitment to excellence and sustainability."

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

“In Lighting and Consumer Durables, despite static revenue numbers in Q4FY24, the company's EBITDA grew by 5%, demonstrating our solid commitment to efficient operations and cost management. The professional lighting segment reported a significant 20% growth, complemented by a strong performance in the consumer durables segment. This performance underlines the effectiveness of our diversified business model and strong market presence.

Our fans category exhibited outstanding growth, marking significant achievements in both product innovation and market expansion. This segment has been a strong performer, recording robust double-digit growth, underscoring the success of our strategic initiatives aimed at both enhancing product offerings and expanding market reach. The launch of the designer BLDC fans and the five-star energy-efficient fans with induction motors are examples of our commitment to combining aesthetic appeal with advanced technology.

Our consumer durable category showcased strong growth in Q4FY24, emphasizing our commitment to delivering high-quality, innovative products that cater to everyday consumer needs. This segment, encompassing a range of products from kitchen appliances to water heaters, has recorded impressive double-digit growth, driven by strategic initiatives and strong consumer demand.

We recognize the critical role that the in-shop experience plays in influencing consumer perceptions and driving sales. Over the quarters, we have intensified our efforts to enhance the in-shop experience across our retail outlets. We see it as a crucial component of our marketing strategy, contributing to the overall performance and growth of the company. These enhancements have already shown positive results, with marked improvements in customer satisfaction and increased sales.

We have also been implementing extensive training programs to ensure that all team members and staff can now provide detailed product insights, demonstrations, and personalized recommendations, ensuring that every customer interaction is informative and engaging.

Looking ahead to FY25, we are confident to navigate the challenges and seize the opportunities that lie ahead. Our strategic initiatives are aligned with customer needs, ensuring that we are well-positioned to continue our growth and success in the lighting and consumer durables segment.”

“In the Steel Pipes and Strips, despite a significant downturn in steel prices, our sales remained resilient, only experiencing a minor dip, thanks to our diversified portfolio and strong market presence in both domestic and international sectors.

Our API pipes and galvanized pipe segments showed impressive performance, contributing significantly to our sales volumes. The galvanized pipe segment, in particular, recorded a 32% YoY growth due to robust domestic demand. Value-added products continued to be a major focus, accounting for 45% of our total sales in FY24, which aligns with our strategy to enhance product quality and profitability.

In alignment with our commitment to sustainability and cost efficiency, we successfully implemented solar power solutions at our Hindupur plant, resulting in considerable energy cost savings. We continue to refine our operational processes, aiming to maximize efficiency and reduce costs through stringent audits, consumable optimizations, and the development of alternative vendor bases for critical raw materials.

We are adding an 8-inch pipe capacity in Bahadurgarh facility – which will be operational by the end of June 2024. The capacity would be about 50,000 tons per annum. By the end of Q2FY25, we plan to commission a spiral plant (for water projects) at Gwalior facility – having capacity of about 60,000 tons per annum. In Q3FY25, our new cold rolling pipe facility will become operational, which will lead to net additional capacity of about 36,000 tons per annum.

As we move forward, the market conditions show signs of improvement with stabilizing steel prices post-Q4. We are optimistic about the increasing demand for our steel pipes, driven by the government’s focus on infrastructure projects and expansions in the oil & gas and water sectors.”

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

“For the quarter, the revenue was ₹ 2,080 crore as compared to ₹ 2,151 crore. EBITDA and PAT stood at ₹ 173 crore and ₹ 104 crore as compared to ₹ 254 crore and ₹ 156 crore, respectively. For FY24, the revenue was ₹ 7,809 crore as compared to ₹ 7,997 crore. EBITDA and PAT stood at ₹ 586 crore and ₹ 329 crore as compared to ₹ 620 crore and ₹ 336 crore, respectively.

***In Lighting & Consumer Durables,** for the quarter, the revenue stood at ₹ 418 crore as against ₹ 431 crore. EBITDA and PBT stood at ₹ 45 crore and ₹ 36 crore, registering a growth of 5% each. For the full year ended, the revenue stood at ₹ 1,572 crore as against ₹ 1,545 crore, a growth of 2% YoY. EBITDA and PBT stood at ₹ 150 crore and ₹ 120 crore, a growth of 23% and 32% respectively.*

***In the Steel Pipes and Strips,** during Q4FY24, the revenue was ₹ 1,665 crore as compared to ₹ 1,721 crore. Similarly, EBITDA/MT stood at ₹ 5,877 compared to ₹ 9,868 YoY. PBT stood at ₹ 103 crore as against ₹ 181 crore. For FY24, the revenue stood at ₹ 6,242 crore as compared to ₹ 6,452 crore. Similarly, EBITDA/MT stood at ₹ 5,401 compared to ₹ 6,496 YoY while EBITDA & PBT stood at ₹ 436 crore and ₹ 325 crore respectively.*

Improved capacity utilization, working capital optimization and cost rationalization enabled us to become a debt-free company, as we repaid our total debt of ₹ 400 crore in FY24.

As on 31st March 2024, ROCE stood at 21.14% and ROE stood at 16.33%.

As on 31st March 2024, the net working capital days stood at 59 days, inventory days stood at 48 days, debtor days stood at 31 days and creditor days stood at 21 days.”

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) and Direct Forming Technology (DFT) in April 2022, 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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