



SURYA ROSHNI LIMITED

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SRL/se/yks/23-24/24
November 02, 2023

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- Q2 & H1 FY24 RESULTS HIGHLIGHTS

Dear Sirs,

This is with reference to our letter dated 18th October, 2023 intimating the date of the Board Meeting of Surya Roshni Limited, we wish to intimate the Outcome of Board Meeting held on 2nd November, 2023, wherein the Company has approved the following:

- Unaudited Financial Results (Standalone and Consolidated) for the quarter/half year ended 30th September, 2023 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 announces Q2 & H1 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

TB

Surya Roshni Limited announces Q2 & H1 FY24 Results

- ✓ Celebrating 50 Years of Trust and Excellence
- ✓ Good volume growth in Steel Pipes and Strips segment
- ✓ Sustained performance driven by value added products and improved product mix
- ✓ Declared interim Dividend of ₹ 2.50 per share (50% of Face Value of ₹ 5 per share)

New Delhi, November 02, 2023: 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, 2023.

Consolidated Financial Performance Highlights

Particulars (In ₹ crore)	Q2 FY24	Q2 FY23	Change	H1 FY24	H1 FY23	Change
Revenue	1,916	1,984	(3%)	3,791	3,824	(1%)
EBITDA	139	131	6%	255	202	26%
Profit before Tax (PBT)	104	91	14%	185	121	52%
Profit after Tax (PAT)	76	68	12%	135	90	50%

- In spite of marginal decline in revenue on account of price erosion with the comparable quarter, the company reported an improved profitability on YoY basis, on back of favourable volume growth in Steel Pipes and value-added products in Lighting and Consumer Durables segment
- With backward integration and better volume growth EBITDA improved by 6% to ₹ 139 crore; EBITDA margins for the quarter stood at 7.3%
- Profit before tax stood at ₹ 104 crore which grew by 14%, on account of improved margins
- Profit after tax stood at ₹ 76 crore reporting a growth of 12%
- Debt reduced by ₹ 190 crore and debt to equity ratio for 30th Sept. 2023 stands at 0.11x

Lighting and Consumer Durables Segment Performance

Particulars (In ₹ crore)	Q2 FY24	Q2 FY23	Change	H1 FY24	H1 FY23	Change
Revenue	377	383	(1%)	751	718	5%
EBITDA	35	31	14%	68	53	30%
EBITDA Margins	9.34%	8.08%	126 bps	9.09%	7.33%	176 bps
PBT	28	23	21%	54	37	46%

- Recorded revenue of ₹ 377 crores in Q2 FY24 inspite of shift in festive season from Q2 to Q3 in current financial year
- Strong volume growth coupled with cost savings on back of PLI led backward integration resulted in strong operating profitability
- Consumer category lighting business i.e. LED Battens, Downlighters and Decorative Lighting recorded healthy double digit volume growth
- Professional lighting business has witnessed 20% growth in Q2 and 23% in H1 FY24 driven by infrastructure as well as industrial projects
- PVC Pipes witnessed 11% growth in Q2 FY24 as well as H1 FY24
- Continued downtrend in LED lighting products replacement cost
- Launched various new products in FMEG segment to capture the upcoming festive season
- Increased investments in advertising and marketing activities to enhance market share and brand visibility along with strengthening dealer and distributor network through various engagement initiatives

Steel Pipe and Strips Segment Performance Highlights

Particulars (In ₹ crore)	Q2 FY24	Q2 FY23	Change	H1 FY24	H1 FY23	Change
Revenue	1,539	1,601	(4%)	3,042	3,106	(2%)
EBITDA	104	100	3%	187	149	25%
EBITDA/MT (Rs.)	5,104	5,259	(3%)	4,758	4,283	11%
PBT	76	68	11%	131	85	55%

- Reduction in steel prices, ranging from 10% to 15% across different grades of steel as compared Q2FY23; was offset by a good volume growth of about 12% during H1FY24
- Exports registered a growth of 20% in Q2 FY24 and 13% in H1 FY24
- Order inflow from Oil & Gas sector, Exports as well API and other projects markets keeps the orderbook healthy at ₹ 765 crore
- Bahadurgarh Cold Rolling facility modernization is projected to lower manufacturing costs, significantly boost operating performance as well as improve overall product quality and Hindupur and Anjar capex are on-going as per expected lines

On the occasion of Golden Jubilee year celebration, the company's Managing Director Mr. Raju Bista thanked all shareholders, employees, customers, and partners for their support over the last 50 years. He said as we celebrate our golden jubilee year in FY23-24, the Company's success is attributed to its strong financial as well as operating fundamentals, including a commitment to innovation, quality, and customer satisfaction. Surya Roshni is well-positioned to continue its growth trajectory in the coming years.

To reward the shareholders on our Golden Jubilee, Board of Directors approved an interim dividend at 50% of the paid-up value.

Further commenting on the results, he said,

"The overall financial performance has been satisfactory, primarily driven by a good volume growth. The aforementioned operational performance metric serves as a key indicator of the company's resilience in navigating challenging economic conditions.

The prevailing challenges faced by the industry are of a transient nature, and we hold a strong conviction that the company is well-positioned for consistent expansion across its various business segments.

In Lighting and Consumer Durables, the company has reported a flattish revenue performance in Q2FY24 due to price erosion which on a year-on-year basis has been in the range of 15-20% whereas in H1 FY24 it is around 10-15%. However, we witnessed a healthy improvement in our operating performance. Additionally, due to the shift of the festive season, Q2FY24 performance cannot be directly compared to the corresponding quarter of FY23.

The company has experienced margin improvement to 9.3%, attributed to factors such as better volumes, backward integration and investments towards PLI scheme. Our investment towards PLI scheme has not only bolstered our competitive position, but also facilitated a successful integration of our operations, resulting in enhanced operating performance. This is in line with our previously stated objective of working towards improving operational performance.

The professional lighting industry has experienced a significant upsurge in demand whereas the consumer lighting category has demonstrated favourable double-digit volume growth.

Within the FMEG segment, certain product categories experienced good growth, while others demonstrated relatively stagnant performance. Within this segment, the company has effectively unveiled a comprehensive assortment of novel products, thereby showcasing its unwavering dedication towards fostering innovation and augmenting its market reach. The company's strategic decision positions it favorably and advantageously as it navigates the approaching festive season.

The company has strategically allocated additional resources towards advertising and marketing initiatives in order to bolster its market share and strengthen its brand visibility. The company has successfully enhanced its dealer and distributor engagement by implementing a range of strategic initiatives. These initiatives have effectively fostered stronger relationships with key stakeholders in the distribution network, resulting in improved collaboration and mutual growth opportunities."

In the Steel Pipes and Strips, the company has performed well on the volume front with 12% growth despite facing downward pricing pressure.

We expect to continue our volume growth at the similar rate for H2 FY24 driven by domestic market with an aim to achieve EBITDA / Ton matrix similar to previous year.

The company has an orderbook from Oil & Gas sector for API pipes and expects a resurgence in export demand in the medium term. We also expect the positive business momentum for GI pipes to persist throughout the fiscal years 2024 and 2025.

We have introduced new diameter pipes ranging from 8 to 12 inches in addition to current offering of upto 6 inches pipes in the Middle East market. In addition to its existing market presence, the company has successfully strengthened its foothold in the Canadian market for large-diameter section pipes, solidifying its position within this segment further."

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

"As Surya Roshni celebrates its golden jubilee year, the Company is poised to enter a new phase of growth and development. The Company has a strong foundation, a clear vision, and a talented team to execute its plans. The Company has a strong product portfolio, a well-entrenched distribution network, and a strong brand name. In addition, the Company is expanding its manufacturing capacity to meet the growing demand for its products. Surya Roshni is also committed to sustainability, and the Company is working towards reducing its environmental impact.

Further on the results, he adds: *The year till now has been characterized by notable market volatility, driven by heightened attention to inflation management, amid ongoing repercussions stemming from the Russia-Ukraine conflict, which has led to global economic slowdown. The Indian domestic market has largely remained decoupled, which has enabled us offset subdued export growth with healthy tailwinds in domestic demand. Thus, despite an overall challenging economic environment, we are pleased to have delivered a decent operating performance.*

In Lighting and Consumer Durables, while we witnessed a flattish revenue in Q2FY24, we recorded a healthy operating performance. This can be primarily attributed to better product mix as well as various cost initiatives like backward integration.

During the quarter, the company successfully secured a range of esteemed projects, benefiting from both private and government infrastructure expansion plans. Based on our analysis, the company expects a robust order inflow in this segment.

The demand for new age lighting and consumer durables has exhibited robust growth in recent quarters. The company's recent product launches are expected to strategically leverage emerging trends, thereby bolstering our market position.

Our company's forward-looking strategy encompasses the exploration of niche product categories, bolstered by our astute investments in cutting-edge technology, advertisement, and marketing initiatives. Furthermore, our collaborative efforts with esteemed distributors and retailers are poised to yield substantial advancements in the forthcoming quarters. The implementation of this strategy will likely result in a notable expansion of our market presence and geographic reach throughout the nation.

Our Steel Pipes and Strips segment has recorded better capacity utilization supported by strong value growth. With a focused approach to improving the product mix towards value added products, the segment is poised to capitalize on the strong uptick in Private as well as Government led capex.

With our state-of-the-art-plants, the company anticipates a significant enhancement in operational as well as cost efficiency which will be aided by the completion of Bahadurgarh plant modernization exercise in the next fiscal year.

The company's main catalyst for growth will be to focus on having an optimal product mix so as to enhance the capacity utilization backed by strong volume growth in domestic as well as exports markets.

The company demonstrates a steadfast dedication to continuous investments in R&D, strategic promotional endeavors, and the introduction of innovative new products. The company's strategic initiatives will be complemented by a focus on optimizing working capital utilization and reducing debt levels. These actions are intended to drive shareholder value creation by improving operational efficiency and strengthening the company's financial position."

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

"For the quarter, despite marginal decline in revenue, the EBITDA and PAT grew by 6% and 12% on YoY basis to ₹ 139 crore and ₹ 76 crore respectively. For H1FY24, the revenue was ₹ 3,791 crore as compared to ₹ 3,824 crore. EBITDA and PAT stood at ₹ 255 crore and ₹ 135 crore as compared to ₹ 202 crore and ₹ 90 crore, respectively.

In Lighting & Consumer Durables, for the quarter, the revenue stood at ₹ 377 crore as against ₹ 383 crore. EBITDA and PBT stood at ₹ 35 crore and ₹ 28 crore, registering a growth of 14% and 21% respectively. For the half year, the revenue stood at ₹ 751 crore as against ₹ 718 crore, a growth of 5% YoY. EBITDA and PBT stood at ₹ 68 crore and ₹ 54 crore, a growth of 30% and 46% respectively.

In the Steel Pipes and Strips, during Q2FY24, the company revenue stood at ₹ 1,539 crore, while the EBITDA witnessed a growth of 3% YoY with an EBITDA/MT of ₹ 5,104. PBT for the quarter grew by 11% to ₹ 76 crore. For H1FY24, revenue stood at ₹ 3,042 crore while EBITDA and PBT grew by 25% and 55% YoY to ₹ 187 crore and ₹ 131 crore respectively.

Improved capacity utilization, working capital optimization and cost rationalization has reduced the debt by ₹ 190 crore. As of 30th September 2023, the debt to equity ratio stood at 0.11x.

As on 30th September 2023, ROCE improved by 439 bps and stood at 20.2% as compared to 15.8% last quarter. ROE stood at 15.57% as compared to 12.49% as on 30th June 2023, a growth of 308 bps.

As on 30th September 2023, the net working capital days stood at 65 days, inventory days stood at 52 days, debtor days stood at 32 days and creditor days stood at 19 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.

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