



SURYA ROSHNI LIMITED

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SRL/22-23/13
May 19, 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, 5th floor
Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
NSE Symbol: SURYAROSNI

Re: PRESS RELEASE- Q4 & FY22 AUDITED RESULT HIGHLIGHTS

Dear Sir,

This is with reference to our letter dated 10th May, 2022 intimating the date of the Board Meeting of Surya Roshni Limited, we wish to intimate the Outcome of Board Meeting held on 19th May, 2022, wherein the Company has approved the following:

- Audited Financial Results (Standalone and Consolidated) for the quarter and year ended 31st March, 2022 along with the Reports from the Statutory Auditors, M/S Ashok Kumar Goyal & Co. with unmodified opinion on Audited Financial Results -Standalone and Consolidated

In this regard please find attached the Press Release titled

Surya Roshni Limited: Q4 & FY22 Results Highlights-

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 Q4 & FY22 Results

- ✓ Achieved US\$ One billion revenue milestone in FY22
- ✓ Technological advancement through commissioning of latest imported DFT technology manufacturing plant at Gwalior for Steel Pipes
- ✓ Commencement of manufacturing of LED lighting components under PLI scheme
- ✓ Lean Balance Sheet with a consistent reduction in debt, reduction of ₹137 crore in FY22
- ✓ Recommended dividend of ₹ 4 per share for FY22

New Delhi, May 19, 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 audited financial results for the quarter and financial year ended March 31, 2022.

Consolidated Financial Performance Highlights

Particulars (In ₹ crore)	Q4 FY22	Q4 FY21	Change	Q3 FY22	FY22	FY21	Change
Revenue	2,301	1,722	34%	2,030	7,731	5,561	39%
EBITDA	154	121	27%	99	449	384	17%
Profit after Tax (PAT)	83	58	41%	40	205	158	29%

Q4FY22 Highlights

- Robust **34%** growth in revenue, Q4FY22 has witnessed growth in all business divisions of B2C and B2B
- **41%** growth in PAT due to reduced finance costs and a healthy product mix of value-added products
- ROCE improved by 580 bps YoY, from 17.8% to **23.6%**
- ROE improved by 450 bps YoY, from 17.5% to **22.0%**

FY22 Yearly Highlights

- Revenue of ₹ **7,731 crore** in FY22 as compared to ₹ 5,561 crore in FY21, healthy growth of 39%
- Cash Profit grew by **23%** to ₹ **385 crore** in FY22 as compared to ₹ 314 crore in FY21
- PAT grew by **29%** to ₹ **205 crore** in FY22 as compared to ₹ 158 crore in FY21. The profitability would have been even better if not affected by the hyperinflation in input costs across businesses
- Proactively took multiple price hikes to partly mitigate the higher input costs
- Cash conversion cycles remained positive, driven by prudent financial acumen. The working capital days has reduced to **58 days** in FY22 as compared to 73 days in FY21

Steel Pipe and Strips Segment Performance Highlights

Particulars (In ₹ crore)	Q4 FY22	Q4 FY21	Change	Q3 FY22	FY22	FY21	Change
Revenue	1,898	1,366	39%	1,661	6,402	4,328	48%
EBITDA	120	81	48%	71	342	256	34%
EBITDA/MT (Rs.)	5,605	4,251	32%	3,815	4,648	3,525	32%
PBT	86	47	84%	35	204	125	63%

Q4FY22 Highlights

- Healthy **39%** growth in revenue driven by all the divisions of B2C, B2B, Exports and higher Steel prices, mainly the price of HR coils
- 13% volume growth in Q4FY22 due to growth across business divisions and higher growth in value-added products and markets including API & Spiral Pipes, Actual Users and Exports
- EBITDA/MT in Q4FY22 increased to ₹ **5,605** as compared to ₹ 4,251 in Q4FY21
- No major impact on supply chain due to the ongoing global geopolitical conflicts
- Witnessing robust order flow with enquiries remaining consistent in value-added products
- The company has received the highest-ever single order of 3LPE API coated pipes valuing ₹608.6 crore (incl. GST). The total order book now exceeds ₹ 1,000 crore

FY22 Yearly Highlights

- Revenue of ₹ **6,402 crore** in FY22 as compared to ₹4,328 crore in FY21, an increase of **48%**
- EBITDA/MT for FY22 improved to ₹ 4,648 as compared to ₹ 3,525 YoY, due to improved product mix of value-added products. API & Spiral Pipes and Exports registered a volume growth of **62%** and **25%**, respectively
- Better working capital management improved working capital utilization, despite a sharp increase in steel prices during the year. For full year basis, the working capital days has reduced from 71 days to **55 days**

Commissioned large-dia section pipe facility with DFT Technology:

- Commissioned the Large-dia section pipe facility with Direct Forming Technology (DFT) at Gwalior in mid-April, 2022, which has also added a capacity of 36,000 MTPA of the new product categories.
- Will enable the company to further improve its presence in domestic as well as export markets

Lighting and Consumer Durables Segment Performance

Particulars (In ₹ crore)	Q4 FY22	Q4 FY21	Change	Q3 FY22	FY22	FY21	Change
Revenue	404	356	14%	372	1,333	1,240	7%
EBITDA	34	40	(15)%	28	106	128	(17)%
PBT	25	31	(17)%	19	72	86	(16)%

Q4FY22 Highlights

- Q4FY22 witnessed growth across all business divisions of B2C and B2B, both on a sequential and last year basis
- **23%** growth in LED Lighting revenue on a YoY basis. Share of value-added products like LED battens and Down-lighters improved along with volume growth
- EBITDA margins witnessed improvement on a sequential basis, however subdued from the last year on account of increase in material cost upto 10% due to continuous inflationary pressure in raw material prices and input costs
- Company pro-actively undertook multiple price hikes to partially mitigate the increased input costs

FY22 Yearly Highlights

- LED lighting witnessed strong revenue growth of **18%** during FY22, with growth in both B2C and B2B
- Consumer Lighting grew by **16%**, with higher growth of value-added products
- Professional Lighting witnessed 10% growth in revenue, with consistent flow of orders
- LED lighting bulbs replacement cost has witnessed a major reduction
- Conventional lighting witnessed de-growth of 11%. Consumer durables has recovered well with the ongoing summer season, earlier impacted by higher commodity prices
- The year has seen an unprecedented increase in input costs, particularly in Oil, Natural Gas and Commodity prices. With partial price increases, EBIDTA margins remained impacted during the year
- Surya approached the year with aggressive advertisement and marketing campaigns through TV advertisements, print and digital media
- Working Capital days have improved during FY22 to **73 days** from 77 days in FY21, with a focused approach on the collection, higher use of channel financing and managing global supply chain challenges

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

*"We are delighted to report the highest ever revenue for the company, **achieved revenue milestone of \$ 1 billion**. I would like to attribute this phenomenal achievement to our team's relentless efforts and emphasis on innovation, product and market development, premiumization and strong brand equity.*

***For FY22, the top-line grew by 39%**, underpinned by a healthy product mix driven by growing share of value-added products across Steel Pipes, Lighting and Consumer Durables. This resilient performance reflects operational excellence, with a better mix and healthy profitability despite multiple headwinds.*

***The company has now repaid all the long-term debt and has become a long term-debt free company.** The company has only short-term working capital debt, which the company is planning to optimize further in the coming quarters. The company's Steel Pipes & Strips and Lighting & Consumer Durables businesses are now independent and self-sustaining in terms of profitability, debt servicing and investment for growth, resulting into constant growth in revenue and profitability, coupled with upgrades in credit ratings.*

***In the Steel Pipes and Strips**, the company reported **a revenue growth of 39% in Q4 and 48% in FY22 and a healthy growth in profit before tax (PBT) of 84% in Q4 and 63% in FY22**. The improvement in realizations were driven by higher steel prices and consistent increased share of margin accretive API pipes and Exports. The company's focus on premium products and geographical diversification of plants has worked well, translating into improvement in profit margins. The recently inaugurated large-dia DFT manufacturing facility is expected to enhance the margin profile further. Going forward, the company will continue to focus on growing the revenue share of value-added products and exports.*

***In Lighting and Consumer Durables**, the company has witnessed **revenue growth in LED Lighting with 23% in Q4 and 18% in FY22**. The new age product lines are gaining strong momentum with special focus on LED battens and LED down-lighters which registered volume growth of 50% and 100% respectively. We continue to launch premium products as per market needs. The company is witnessing a healthy momentum in the Fans segment on account of a severe heatwave across the country. During the year, the company undertook multiple price hikes to partly mitigate the impact of higher commodity prices and other input costs. We remain focused to enhance profit margins by improving product mix through growing share of premium products and smart lighting.*

Initiatives such as Salesforce Automation (SFA) have been rolled out across all the regions and have started contributing to productivity enhancement, focused approach to bring down replacement cost has worked well. The company has intensified advertising and branding activities in order to transform into modern, innovative and stylish brand.

The company is witnessing good enquiry order inflow and will continue to focus on participating in multiple Smart Lighting projects in Professional Lighting. The company also strengthened further the semi-urban and urban distribution network, which is now one of the largest in the industry.

The company is witnessing multiple triggers such as a growing mix of value-added products across segments, strengthened balance sheet, strong value propositions and cost rationalization. This, coupled with improved economic activity is expected to drive the growth in the upcoming quarters.

The company has given responsibility of Chief Financial Officer (CFO) to Mr. Bharat Bhushan Singal, who is also playing a role of Sr. V.P. and Company Secretary since last 26 years. He is a well-qualified professional, a Chartered Accountant, Company Secretary & Cost Accountant and has played a key role in various strategic initiatives over the years and is well-versed with company's system and processes. I congratulate Mr. Singal for his new role and look forward to work closely with him to achieve the goals, going forward."

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

“The Company posted a good set of FY22 results with robust improvement in topline as well as bottom line. 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 in the upcoming quarters. This will be further supported by the recently commissioned Large-dia section pipe manufacturing facility with Direct Forming Technology (DFT) at Gwalior which enables the company to further improve the product mix in domestic as well as exports markets. The company has already started taking orders for this facility and expects to reach full utilization level in this year itself.

***In Lighting and Consumer Durables**, new age products like LED Battens, Downlighters and Smart Lighting drove the growth in FY22. The company continued to focus on innovative new launches across the segments which are well accepted in the market. The company also intensified multiple advertisement and branding campaigns for strengthening the brand equity. These initiatives are expected to drive the growth in the coming quarters.*

In order to reward the company’s shareholders, the Board has recommended a dividend of ₹4 (40%) per equity share on the paid-up equity capital for the year 2021-22 subject to the approval of shareholders at the ensuing AGM.

Financial prudence, professional management, healthy balance sheet and cost optimization have resulted in strong cash collection and improved working capital cycle. The company remains well-positioned to achieve its long-term vision”.

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

“For the year, Revenue, EBITDA and PAT grew by 39%, 17% and 29% respectively on YoY basis. For the full year, the revenue was ₹ 7,731 crore as compared to ₹ 5,561 crore. EBITDA and PAT stood at ₹ 449 crore and ₹ 205 crore as compared to ₹ 384 crore and ₹ 158 crore, respectively.

***In the Steel Pipes and Strips**, during Q4FY22, the company witnessed revenue growth of 39% YoY. Similarly, EBITDA/MT stood at ₹ 5,605 compared to ₹ 4,251 YoY. For FY22, revenue grew by 48% YoY, to ₹ 6,402 crore while EBITDA/MT stood at ₹ 4,648 as against ₹ 3,525 YoY.*

***In Lighting & Consumer Durables**, for the quarter, the revenue stood at ₹ 404 crore as against ₹ 356 crore. EBITDA and PBT stood at ₹ 34 crore and ₹ 25 crore, respectively. For the full year, the revenue stood at ₹ 1,333 crore as against ₹ 1,240 crore. EBITDA and PBT stood at ₹ 106 crore and ₹ 72 crore, respectively.*

For full year basis**, we have reduced a debt by ₹ 137 crore which helped in reduction of **debt to equity ratio** from 0.52x in March 2021 to **0.37x** in March 2022. **RoCE has improved by 350 basis points to 16.2% for FY22 from 12.7% in FY21, while RoE has improved by 200 basis points to 14.1% in FY22 from 12.1% in FY21”.

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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