



## SURYA ROSHNI LIMITED

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SRL/25-26/25

August 21, 2025

**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**

**Sub: Transcript of Earnings Call (Group Meet) for the Quarter ended 30<sup>th</sup> June, 2025**

Dear Sir,

This is with reference to the Company intimation dated 8<sup>th</sup> August, 2025 filed with the stock exchanges in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the earning conference call (Group meet) to discuss the Unaudited financial results and operational performance for the quarter ended 30<sup>th</sup> June, 2025 scheduled for Wednesday, 13<sup>th</sup> August, 2025 at 4:30 P.M (IST).

Further to the audio recording filed with the stock exchanges already on 13<sup>th</sup> August, 2025, we are enclosing the Transcript of the said Earnings Call (Group Meet).

The same is also being uploaded on the website of the Company at [www.surya.co.in](http://www.surya.co.in) under Financials in the Investor section.

This is for your information and records.

Thanking you,

Yours faithfully

**For Surya Roshni Limited**

**B B SINGAL**

**CFO & COMPANY SECRETARY**

**Enclosed: as above.**

# SURYA

## “Surya Roshni Limited Q1 FY '26 Earnings Conference Call”

August 13, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 13<sup>th</sup> August 2025 will prevail.

# SURYA



**MANAGEMENT: MR. RAJU BISTA – MANAGING DIRECTOR**  
**MR. B. B. SINGAL – CFO AND CS**  
**MR. GAURAV JAIN – CEO, STEEL OPERATIONS**  
**MR. VASUMITRA PANDEY – CEO, LIGHTING & CONSUMER DURABLES**  
**MR. NARESH SINGHAL – ED, STEEL OPERATION**

**Moderator:** Ladies and gentlemen, good day and welcome to Surya Roshni Limited Q1 FY '26 earnings conference call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involves risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Raju Bista, Managing Director of Surya Roshni Limited. Thank you and over to you, sir.

**Raju Bista:** Thank you very much, and good evening, everyone. On behalf of Surya Roshni Limited, once again, I extend a very warm welcome to everyone for joining us today in the call. On this call, we are joined by Mr. B. B. Singal, CFO and Company Secretary; Mr. Gaurav Jain, who is newly appointed as a CEO of Steel Business; Mr. Vasumitra Pandey, newly-appointed CEO for Lighting & Consumer Durables; Mr. Naresh Singhal, Executive Director, Steel Division; and SGA our Investor Relations Advisor. I hope everyone had an opportunity to go through the financial results of today.

Moving on to the overall financial performance highlights. We are pleased to share the consolidated performance of Surya Roshni Limited for the first quarter of financial year '26. In Q1 FY '26, our consolidated revenues stood at INR1,605 crores, down 15% year-on-year, while EBITDA came in at INR83 crores, representing a 48% decline over last year for the same quarter. Our EBITDA margin was at 5.14% compared to 8.37% in Q1 FY '25, reflecting the impact of softer commodity prices, muted execution of certain government projects and seasonal demand factors linked to the early onset of monsoon.

In Steel Division, company has implemented the SAP HANA software with effect from 1<sup>st</sup> of April 2025. However, there were initial disruptions in SAP implementation, integration process and other teething troubles in April and a few days in May also, which resulted the sale loss to the tune of 25,000 to 30,000 metric tons in Q1 FY '26, which approximately value about INR180 crores to INR200 crores.

The Steel Pipe and & Strips segment saw headwinds from delayed fund disbursement in domestic project market and raw material price volatility. But export volumes grew by 23% year-on-year, led by strong demand from the Middle East sector.

The Lighting & Consumer Durables business delivered a modest revenue increase supported by healthy double-digit volume growth in LED lamps, batten and water heater for the category, despite pricing pressures in certain categories.

While our top line and margins were under pressure this quarter, our diversified business mix, operational disciplines and healthy order book provide a solid foundation for recovery in the coming quarters. We have continued to invest in strategic initiatives, including capacity expansion, product innovation and brand building.

Now we are a zero debt company with a net cash surplus of INR331 crores as of June 30, 2025.

**Coming to Lighting & Consumer Durables,**

In Q1 FY '26, our Lighting & Consumer Durables segment posted revenue of INR397 crores, up by 3% year-on-year basis, driven by strong volume growth, despite industry headwinds.

EBITDA stood at INR31 crores versus INR35 crores last year, with margin at 7.8%, compared to 9%, a slight decline due to price erosion in consumer lighting, early monsoon led demand volatility and moderated government procurement in professional lighting products. Margins are expected to recover, supported by festive demands, premium product offerings and upcoming launches.

In Professional Lighting, we maintain an order book of about INR100 crores. Our pipeline of two, three new categories and a diversified product portfolio should help meet FY '26 target, despite slower government spending.

Our INR25 crore house domestic wire cable facility in Gwalior plant will launch on the 18<sup>th</sup> of August this month, targeting about INR150 crores in the first year and scaling to about INR500 crores in the next 2 to 3 years period.

For FY '26, we maintain in Lighting Division, our double-digit growth guidance. With capacity expansion, new products and alignment with the government initiatives, we are well positioned to grow both domestically and internationally even in lighting also, focusing on premium product categories, operational efficiencies and strong channel engagement.

**On to the Steel Pipe and Strips Division,**

In the Q1 FY '26, our Steel Pipe and Strips segment operated in a challenging environment marked by subdued domestic demand, raw material pricing volatility and the early onset of monsoon. While revenue stood at INR1,207 crores, down 20% year-on-year, while EBITDA declined to INR52 crores from INR24 crores (to be read as INR124 crores). EBITDA per ton was INR2,922 per ton, lower by 52% year-on-year basis, mainly due to lower high-margin product contribution, inventory losses from steel price segment and muted project demand.

Overall, volume fell 13% year-on-year, with domestic products segments volume down nearly about 30% due to slower government project execution, funding constraints, and softer API and Spiral Pipe demand and the monsoon disruption. Cautious buying in trade and actual user segments, amid the expectations of further steel price softening, also hold on demand. In contrast, export rose by about 23% year-on-year despite geopolitical challenges driven by strong Middle East shipment, including hollow section pipe aligned with our overseas growth strategy.

We closed the quarter with a healthy INR750 crore to INR800 crore order book across oil and gas, water, and even in export also, including large dia-coated pipe orders for water infrastructure. Execution of pending orders is expected between July to September, aiding Q2 and Q3 recovery.

Operationally, our cold rolling mill was commissioned in June this year. Although its contribution to Q1 FY '26 was minimal to about 6,000 tons during the month, but we'll expand our product range and margins as volumes ramp up.

Capacity utilization for overall Steel segment was 68% in Q1 and should improve in the coming quarters. Our expansion program is on track. The 60,000 tons capacity of DFT Forming Technology mill at Anjar Bhuj will commission by March/April '26.

I am pleased to announce that we have appointed **Mr. Surya Kumar Yadav, T20 captain of Indian cricket team, as a brand ambassador**, a strong name synergy that aligns with our brand-building push. We'll continue to invest in publicity and marketing to strengthen our domestic and export presence.

Looking ahead, we expect steel prices to remain broadly stable or see a slight uptick with no major downside. GI orders should improve from quarter 2 as government projects pick up. With a strong order book, growing exports, capacity enhancements and brand investments, we are confident that our performance will improve from quarter 2 onwards.

This was from my side. Now I will request our CFO, Mr. B. B. Singal, to share his thoughts on the results.

**B. B. Singal:**

Thank you, respected MD sir and a very good evening to all the participants on the call. For the quarter, the revenue was INR1,605 crores, as compared to INR1,893 crores. EBITDA and PAT stood at INR83 crores and INR34 crores, as compared to INR159 crores and INR92 crores, respectively.

In Lighting and Consumer Durables, for the quarter the revenue stood at INR397 crores as against INR385 crores, a growth of 3% year-on-year basis. EBITDA and PBT stood at INR31 crores and INR21 crores, respectively.

In the Steel Pipes & CR Strips, during Q1 FY '26, the revenue was INR1,207 crores as compared to INR1,509 crores. Similarly, EBITDA per metric ton stood at INR2,922 compared to INR6,065. EBITDA and PBT stood at INR52 crores and INR24 crores.

Improved capacity utilization, working capital optimization and cost rationalization enabled us to become a zero debt company and having cash surplus fund of INR331 crores as of 30<sup>th</sup> June '25.

With this, I conclude the presentation, and we can now open the floor for further questions and answers.

**Moderator:** Thank you, sir. The first question is from the line of Mr. Viraj from Enigma Investment. Please go ahead.

**Viraj:** Sir, my first question is, in your May 14<sup>th</sup> presentation, you had mentioned that we will grow by more than 20% in the full year. You had also mentioned that our EBITDA looks to be around 5,500. And this is when half the quarter was gone of last quarter. And we did not talk about any disruption from SAP implementation or lower sales coming due to government tightening the budgets.

It's just really contradictory when half the quarter is gone and the tone is very different from what the results you have reported. Can you just elaborate how did things change so dramatically, or we just missed completely the slowdown?

**Raju Bista:** Yes, I agree with you. The result is not according to the forecast we had given you. But purely as I told you, because in the lighting division, we did not face any issues in SAP implementation. And our go live was from 1st April in steel division. And in that, because in the pipe division, particularly a lot of products are sold in meters and then some in kilograms. So, due to this, we had some issues in integration. So, in that, almost our entire month was washed out. And that was mainly a issue. And because of that, within the per ton EBITDA, around INR2,000 rupees per ton fixed cost has increased. And we had inventory losses of around INR1,000 per ton. Like this, per ton EBITDA, in comparison with INR6,000 and INR5,500 we came close to INR3,000.

But I would like to tell you that as I had forecasted earlier, because in Q2 also, almost half of our time has passed. And the kind of performance that is going on after May, so we are doing the same growth that we had told you in the overall year. And in Q2, you will see a very substantial growth in terms of volume and in terms of EBITDA. And I believe that in the entire year, as we had given a guidance of 11 lakh tons, so I am reducing the same slightly down to around 10 lakh 50 thousand tons - precisely around that, we will do volume in the Steel Division.

And the EBITDA for the entire year, which I had told around INR5,500 rupees per ton, that will remain the same. So, one was due to SAP ERP, the second was due to monsoon, which was a little early. And when the monsoon becomes early, then there is a little destocking in the dealer network and because of that, the orders do not flow. The pre-monsoon was also good, the overall monsoon is also good. The end result will come that there will be more demand creation in agriculture and there will be good demand generated in domestic trade in GI pipe.

So, you be assured that our overall commitment will remain as it is -particularly because we do not have much in our hands, because we have been working on ERP (SAP) for two years. And I would also like to tell you that in the steel pipe segment, we will be the first company in India to have integrated so much and implemented ERP (SAP) 100% end-to-end. That is Surya Roshni only.

**Viraj:** Thank you for your answer. Sir, I will ask again that you are saying now that you will turn 10,50,000 ton in steel and EBITDA of INR5,500 per ton. So, you are still talking about INR600 crore EBITDA, whereas in your first quarter, the EBITDA is in front of you, which means less

than INR50 crores. So, in such a scenario, can you tell me 100% that your volume growth in Q2 is 20%-25% and 30% y-on-y growth is of that kind?

**Raju Bista:** Look, if I want to tell you like this, as a forecast, within quarter two, there will be growth in our revenue of 35%-38%.

**Viraj:** 35%-38%.

**Raju Bista:** 35-38%. You note this down and ask again in the next call. And overall, what you are telling, because we also calculate and say before answering you. Otherwise, you can see the track record of the past five years. Overall, the commitments we have made have been fulfilled. And in the whole year, the growth of more than 20% will be of Surya Roshni. And as we have told you, EBITDA of the whole year will be around INR590-INR600 crores.

**Viraj:** Right. Sir, the second question is about lighting. In lighting, sir, we thought that the price erosion was completed last year, but now you are talking about more price erosion, due to which the EBITDA of lighting has also declined. Would you like to shed some light on that? How long will this go on?

**Raju Bista:** No, look, you are asking the right thing, but in lighting, major price erosion is not that. But we have been seeing price erosion quarter on quarter, whether it is in the bulb segment or in the batten segment. So, due to this, we are changing to the product category and moving to another product category simultaneously. And in this quarter, particularly in the lighting division, our B2B business has grown a little, we had sold more but there was a lower margin in one the projects.

Due to this, its impact is visible, but in the whole year, even within the lighting division, you will have EBITDA of around INR180-INR190 crores for the whole year, as it is, which we had made a commitment earlier. But the good thing is that in the lighting division, a lot of companies were formed in the last five years, some were old, many were closed, could not run. Despite are all kinds of problems in the market, we have maintained ourselves, we have never allowed our cost to increase, and we have launched products at regular intervals, and we have also changed our segment, which was originally called Surya Roshni as a company of bulb tube, we have changed ourselves to a great extent.

And our dependency is not only on bulb and tube, in fact, the sale of conventional lighting has almost stopped. Now we are providing full range. And as I said earlier, the domestic wire segment also there was a delay of two months in launching, because of the late arrival of plant and machinery. So its production has also started, and on 18th September (to be read as August), we are launching from the south, so its revenue of around INR150 crores will also be added this year.

**Viraj:** Sir, if I see your last year's Q2 number, you had a revenue of INR1,530 crores, if we take a growth of 35%-40%, then you are saying that you will do a revenue of INR2,100 crores, and if you have INR5,500, what are you saying sir?

- Raju Bista:** We will do INR2,130 crores in revenue. Within the steel division, there will be a revenue of around INR1,650 crores, and in lighting, there will be a revenue of around INR470 crores-INR480 crores.
- Viraj:** And sir, the second question was that if we have to do INR5,500 per ton on EBITDA for the full year, then in the remaining three quarters, we will have to do INR6,500 per ton on EBITDA?
- Raju Bista:** In quarter 2, we will have to do INR5,500, and in quarter 3 and 4, we will have to do INR6,000 each.
- Viraj:** So you will do INR5,500 in the next quarter, are you confident about this?
- Raju Bista:** Yes, you will see INR5,500 only in quarter 2, and in the balance quarter, INR6,000 each. And the order book of INR1,000 Crore that I was telling you about products with a high margin, which will be present for a month in Q2 and will have an impact in Q3 as well.
- Viraj:** Right sir. And sir, the last question was the same. Sir, our AGM is coming up. Sir, this was the request, that we have been talking about demerger for 4-5 years as a minority investor. But sir, we have not been able to create value for the shareholder, although the company does well. But sir, if you can please keep a proposal for the demerger, then it will be very helpful.
- Raju Bista:** No, I am aware of your feelings, and I respect your feelings, and we will strongly take your stand forward. You keep sharing your thoughts, and I have complete faith that the board will take a decision on this soon. And I would also like to say that whatever profit comes in a year, we have decided that half of it will go to the shareholder, and half of it will go in capex and working capital.
- So, whatever we earn, because the company has a cash surplus of INR350 crores as on today as well. So, whatever it is, it is the shareholder's money, whether it is a majority shareholder as a promoter or a minority individual shareholder.
- Viraj:** Sir, if we do PAT of INR450 crores to INR500 crores in FY26, if everything else you said is correct, INR400 crores, INR450 crores whatever it is, we will give a dividend of INR200 crores. Do you agree with this?
- Raju Bista:** Yes, I think so. We gave INR120 crores this year. Why do you go for the next year? We will give it this year.
- Viraj:** Sir, it was INR120 crores, but you are talking about a drastic improvement. Okay, sir, so you said in in Q1, sir, we will ask you again in Q4?
- Raju Bista:** Sir, we started with 20%, we have reached 170% dividend.
- Viraj:** No, sir, this is about the payout. It is about the percentage dividend you are giving for what you are earning?
- Raju Bista:** Sir, we gave INR120 crores last year. You don't assume for next year. We will give you this year itself INR200 crores.

- Viraj:** Yes it is about this year, sir. I am talking about FY26, not about FY27?
- Raju Bista:** Absolutely.
- Viraj:** Thank you. Best of luck.
- Moderator:** Thank you. The next question is from the line of Mr. Jatin from Svan Investment. Please go ahead.
- Jatin:** Thank you for the opportunity. Sir, a lot of questions have been answered, but I wanted clarity. Like you said in your opening remarks that the GI contribution was less. Can you tell me how much GI contribution was in the total product mix in this quarter as compared to last year and previous quarter?
- Raju Bista:** One minute. It was around 10% less. Instead of 50,000 tons, it was 40,000 tons. It was 10%, 12% less in GI. Overall, if you look at it segment-wise, in FY26, the contribution of the trade business in steel segment is about 55%. In the trade segment only, the majority of our galvanizing pipe is exported. It constitutes about 13% of exports. So, in this quarter category, the contribution is about 68%.
- Jatin:** Like you said, it was 10% less. In fact, the EBITDA per ton that we have shown in 2,900 is the same as that of the normal black pipe. So, does this mean that we did not get any benefit of API, Spiral and GI in this quarter?
- Raju Bista:** No. If you look at it overall, the EBITDA per ton was less as compared to last year. It is in all product categories. For example, if I tell you that the contribution of the round pipe was reduced from 4,000 to 1800. I am talking about the black round. And the contribution in the galvanizing pipe was more than 7,000 plus EBITDA. That contribution left in that was 4,500. We lost INR2,500. So, the impact of INR2,500 to INR3,000 per ton was mainly due to the reduction in volume, as our fixed cost increased and the inventory loss around INR1000 was also added to it.
- Jatin:** Okay. Sir, secondly, according to your guidance, we will see 35%, 38% growth in revenue in Q2. So, does this mean that our volume has been so strong in the month of July? Can you give some guidance about the volume in July and category wise?
- Raju Bista:** No. In Q2 our volume has been good in July as well as in August. The volume is good in all product categories. As I told you, you will see an overall growth of 35%, 38% as a whole. In fact, within the steel division, the growth will be more than 40% in Q2.
- Jatin:** Sir, I am talking according to that. As we have increased the volume of 180 in the first quarter. If we take volume growth of 35% in Q2?
- Raju Bista:** The quantity of 30,000 tons was less and we lost our revenue of INR190 crores to INR200 crores. Otherwise, you see, if you add it up, the results look good.
- Jatin:** But sir, as we are maintaining the guidance of INR10.5 lakhs. So, in Q2, our growth rate will be around 40% in volume. Even if I maintain the pricing. So, the guidance of 40% growth which

we have never done historically in the second half. And we are assuming 40% growth in the second half. Is it possible or will it happen?

**Raju Bista:** No. We have done it historically. In fact, there is more volume growth in the second half. There is more demand. So, you be rest assured that in Q2, we will have a dispatch of around 2.5 lakh tons as compared to 1.9 lakh tons in Q1 and in the previous year, I think it was only 1.74 lakh tons. It was less.

**Jatin:** In the previous year, it was 1.65 lakh tons in the second quarter?

**Raju Bista:** In Q3 & Q4, we will do around 6 lakh plus few thousand tons. Our capacity of 60,000 tons of cold-rolling has started in June. So, that will also be added on. Spiral mill has started in Gwalior. That will also be added on. And the volume is increasing in DFT also. And there is good demand in export too. In Q1, we did growth of around 23%. And we have the order book of INR1,000 crores of water segment and API export.

**Jatin:** Sir, as we told you, the volume of 180 - 190. When we did the earnings call in the first half of May, we had given guidance of INR10.5 crores that time, we were not able to see the one off that hit will come in the first quarter. So, what is the scenario that we are seeing it that we are able to say with confidence that our Q2, second half will be much stronger. How can we say with confidence that in Q2 will not face too much heat?

**Raju Bista:** No. As I said earlier, Q1 was unexpected. Because of ERP, it was hit., But we had moved forward so much, so we did not want to linger on it further. So, it was a management call. We did it strictly. So, now coming to Q2. Looking at the overall order book, the new capacity commission and the overall environment of the domestic sector because of monsoon and agriculture, we have full hope that we will achieve the commitment that we are forecasting. Sir, in reality once we sit in Q2 then only you will believe, but what is the fact I am telling you.

**Jatin:** That is right, sir. As you are saying INR600 crores, the trend of Q1 and as you are guiding for INR600 crores, something which is looking much more on the aggressive side, then what if not happen?

**Raju Bista:** We are going strongly. We have also brought the brand ambassador. We are also running new ad films. Whatever should be done for business growth, we are doing it, but some things are not in our hands. We did not know that Trump will come with 50% tariff.

**Jatin:** So, we will wait for the Q2 and all the best. Thank you.

**Moderator:** Thank you. The next question is from the line of Mr. Aditya Pal from MSA Capital Partners. Please go ahead.

**Aditya Pal:** Hi. Thank you so much for the opportunity. Sir, I have got answers to many questions, but there is a strategic question. When we look at your competition and the biggest competitor, the biggest steel pipe manufacturer in India it has grown by 10% or so in Y-o-Y.

So, my question is that how, I mean, there will be a difference in products, but they are able to grow. I mean, the steel pipe industry is also growing and we did not grow. So it means, the market share has lost. So, are we doing any such exercise or where we are thinking?

**Raju Bista:** Sir, on any competitor, I will not be able to comment.

**Aditya Pal:** Sir, I am not requesting for commentary on the competitor. I am saying that if he is able to grow, whose scale is so big. I mean, the industry is also growing. So, my only question is that we have thought that we should talk to our distributors and tell them to pitch our products further or we will have to add new distributors. Do you have such a thought process?

**Raju Bista:** No, on a regular basis this is our ongoing process. All of India is mapped and wherever we do not have a presence, there we increase our presence. We are also bringing plants for different locations. But what is it, I will tell you. I cannot say who is doing what. But I can say that we have aligned ourselves according to the demand and growth of India.

And if you look at the competition, particularly if you go into the same segment, then see their per ton EBITDA, leave a particular quarter because of ERP. Otherwise, you will see that in comparison to that, you will get the better per metric ton EBITDA of Surya Roshni.

**Aditya Pal:** I totally agree with you. But my question is that, when you look at one quarter Surya Roshni in standalone in the industry, not just that single competitor, but the other companies as well, there is a lot of growth in them as well?

**Raju Bista:** Because it was a one-time hit in April. There was an impact of 25,000 to 30,000 tons. That is basically it. If you add it up, everything will be fine.

**Aditya Pal:** Okay, so 2,00,000 tons comes in?

**Raju Bista:** Yes, 2,17,000 to 2,20,000 tons it should come.

**Aditya Pal:** Okay, so that means a loss of 40,000 tons to 45,000 tons?

**Raju Bista:** 30,000 tons. Now it is 1,90,000, right?

**Aditya Pal:** No, I derived it out from EBITDA per ton. So it comes to 1,70,000. So let's see the next quarter. Best of luck.

**Raju Bista:** And we will honor our core commitment for the year.

**Aditya Pal:** No, sir. I just want to say that you have good products. You are also getting the capacity online. In the last four years, five years, you will see that there was no capacity, but your EBITDA has grown. Your EBITDA per ton is the best in the industry. So I just want to say that is it a distribution problem, because we have products, we have a brand, we are a very old company. Now the capacity is also online. So there is something where a problem can be solved.

**Raju Bista:** No, sir. No, you are right. Sir, at many places we get a very good premium compared to our competitors. But there are some segments where we do not go. In which the recovery of the cost

can be very difficult. So we do not deal in that product category. So many small-scale companies work in this segment. It does not suit us. So we get involved in products in which there is value addition, there is a little premium, there is a little margin, there is a little export, there is a little API. We put more efforts in these product category. Particularly, those who make a section, square, rectangle from a patra, in that, the cost is also recovered with great difficulty.

**Aditya Pal:** Right, sir. Right.

**Raju Bista:** Because we have to comply with everything. So there is a lot of growth in such segments, when there is a lot of variation gap in steel.

**Aditya Pal:** Correct. Okay, sir. See you next quarter. Wishing you all the very best.

**Raju Bista:** Whatever expansion we have done, we have done in the same product category, in which there is a little value addition, there is a little margin, there is a little premium product category.

**Aditya Pal:** Right. Sir, you are saying that you are confident of 10.5 lakhs. I mean, next this year's FY '26, 10.5 lakhs, do you think it is locked in?

**Raju Bista:** Right. This time, we will do more than 2,40,000. And in the next two quarters, we will do around 6,00,000 tons. So we will reach around 10.5 lakh tons.

**Aditya Pal:** Okay. Sir, I have only one request from you. In the Q3, your investor presentation will come. In that, if you can give us a good capacity mapping, before the FY '26 report, that will be very helpful for us.

**Raju Bista:** Okay, sir. We will also give you on the roadmap for the next five years.

**Aditya Pal:** Perfect, sir. Thank you so much. That will be very, very helpful.

**Raju Bista:** The new addition of the plant, we are enhancing the capacity regionally. There has been a big fluctuation freight in the steel, because the competition is heavy. If the freight is more than INR1,000, INR1,200, then there is pressure in the margin. Keeping that in mind, where our average freight is INR1,800 to INR2,000, we are trying to reduce that.

**Aditya Pal:** Okay. Sir, all the very best. Thank you for letting me off the...

**Raju Bista:** You motivate us.

**Aditya Pal:** Thank you, sir.

**Moderator:** Thank you. The next question is from the line of Mr. Keshav Garg. But before we take that question, participants, if you wish to ask a question, you may press star and one. The next question is from the line of Mr. Keshav Garg from Counter PMS. Please go ahead, sir.

**Keshav Garg:** Sir, even I had a question on the line of the previous speaker. Sir, if we see, like our competitors, Shree Hari Om Pipe, their volume has increased by 35%. Similarly, everyone's EBITDA per ton

is stable. So, sir, it is not possible that only we have incurred inventory loss. And, sir, even if we add the sale of INR200 crores, then too there is still marginal de-growth.

So, sir, we have still underperformed as compared to the industry. So, sir, even last year, I remember that we had started with INR700 crores EBITDA last year, in FY '25, our expectation was there in the beginning. But, sir, our Q2 was very bad. So, due to this, we fell behind.

And, sir, last year in last quarter you had given volume guidance of 11 lakhs tons. Sir, earlier, last year you first told us that 12 lakhs tons will happen this year. Then in last quarter you lowered it to 11 lakhs tons and now it has become 10.5 lakh tons. So, sir, I mean, this disappointment is happening again and again. Sir, there is a slippage in guidance.

So, and sir, there is a lot of slowdown in the economy. GST collection is also in the negative. If you see, year-to-date FY '26, so, sir, seeing all this and the kind of capacity that is coming on stream, so, sir, do you think that we will be able to achieve what you are planning to achieve?

**Raju Bista:**

One thing is that some numbers we could not meet as given in the guidance - the big reason for that in our case is that some projects that were on our pipeline have been delayed because of various reasons, including in Bhuj where API mill had to come or the spiral mill was also delayed for about two months. And in Bahadurgarh, where we have invested INR50 crores in cold rolling, there was also some delay and some technical issues came up which were not in our hands.

Secondly, the company you mentioned, you gave an example of one or two companies. See, most of the companies are of mixed type in which there is domestic trade, there is government, API, there is almost flat or de-growth everywhere. Government spending has not increased much.

And the company's name which you have particularly taken, as far as I know, most of them are in the trade segment and in that also, in the patra segment, when it is cheap, it gets sold more. There is no need for a brand required in that. In all that, the goods are sold just above the pricing. So, as such, I don't think it is an apple-to-apple comparison. And in our case, as I said, because of ERP, we had a one one-time hit and in the coming time, we will try to meet that, according to our guidance.

**Keshav Garg:**

Sir, in the steel pipe segment, which companies do you consider to be your closest competitors?

**Raju Bista:**

No. There are. There is APL, there is Jindal and there is Hi-Tech. Like, there are three, four companies, but in all of them, there is no apple-to-apple comparison. We are in a different category as compared to the rest. Around 55% of our sales come from trade and our export is around 15% and the rest comes from the API and high-value added product category. So, as such, having substantial presence in all three categories, there are hardly few companies.

**Keshav Garg:**

Right, sir.

**Raju Bista:**

You can compare us to APL Apollo.

- Keshav Garg:** Right, sir. Sir, in the end, there are some things that are not in our hands like steel prices, the demand in the economy and how much supply is coming to the industry. But, sir, you have the demerger in your hands and if there is progress in that, it will be good for everyone. So, sir, please think about it.
- Raju Bista:** CFO is also listening. Our whole team is listening. I also believe that both the companies have an EBITDA of INR600 crores and other us moving towards an EBITDA of INR190 crores, INR200 crores. So, EBITDA of INR800 crores and cash surplus and the brand value is also there, 2 lakhs, 2.5 lakhs shops we have in country, I don't think there can be a better time than this. But, look, there will be even a better time than this. I think this delay is better for the shareholder.
- Keshav Garg:** Yes, sir. Thank you very much and best of luck.
- Raju Bista:** Yes.
- Moderator:** Thank you. The next question is from the line of Mr. Neil from Equitree Capital. Please go ahead.
- Neil:** Hello?
- Moderator:** Yes, sir. Please go ahead.
- Neil:** Sir, am I audible?
- Raju Bista:** Yes. Yes.
- Neil:** Many of my questions have been answered. I had a small question. Sir, in the last four years, the EBITDA per ton for each product category, whether it is GI pipe or API or black pipe, I can see a lot of variation in it. I can understand if it is seen on a blended basis, but there is a lot of variation in each category. From INR4,600, sometimes it is INR7,700, sometimes below that, INR5,500. Why is there so much variation?
- Raju Bista:** We are a converter . We have to buy 80% to 85% raw material steel, which is not in our hands. That is why there is a lot of volatility. You cannot predict it much. That is why there is so much fluctuation. If you look at the price of HR coil, sometimes it goes up to INR70, sometimes it goes up to INR45, sometimes it goes up to INR50.
- Right now it is around INR49, INR48. So, it is majorly because of that. But if you look at our overall cost, the cost of production, we have maintained it to some extent, which is in our hands. We can control the efficiency. So, mainly because of that reason only, there is so much variation.
- Neil:** Okay. Okay, sir. Thank you.
- Moderator:** Thank you. Participants, if you wish to ask a question, you may press star and one on your touchtone telephone. The next question is from the line of Mr. Raj Mehta from Raj Mehta Associates. Please go ahead.

**Raj Mehta:** Sir, I wanted to know that you are saying that you are able to achieve, but is this guidance which you are saying – is it on a conservative basis or are you are a bit aggressive. This was my first question. And second, in case like in quarter 1, the government spending was less and monsoon came early and because of that there were some delays.

So, if in quarter 2 and quarter 3, the government's spending does not pick up, then on what basis or where can our growth stop? What are the risks associated in external sectors? It will be better if you can guide us on that.

**Raju Bista:** Thank you very much. It is not that I am very aggressive. I had tried to stay in the middle and I have given guidance according to what we can actually see. And when we give you guidance, then it becomes a commitment for us. And second, as far as the roadmap that we are talking or about guidance that we are talking, that basically on the basis of growth in exports that will come and the current order book that we have in our hands. Based on that, we have given you these guidance numbers and I think there should not be any big problem in achieving that. And I don't see fall in steel prices on immediate basis for at least next two quarters.

**Raj Mehta:** The order book that you have received is US-based or non-US based? Because in many places, because of tariff uncertainty, people are not closing the orders. Otherwise, after giving the orders, those who have given advances are cancelling it, because everyone needs clarity.

**Raju Bista:** There is not much clarity globally. There is more uncertainty because particularly in the 5CT product category, we had around 2.3% duty in CBD and on the rest it was 20%, 22%, 25%. Anyway, it is still with us. But apart from that, 50% steel, almost all countries have the same tariff from America. So even now, particularly in that product category, we have lower CBD, we still see the gains to remain. But section 232 or whatever, where the tariff is 50%, because of that there is lot more uncertainty.

So we don't expect aggressive order inquiry getting generated from Europe or other countries. Although Middle East looks ok. So we didn't have too much exposure to USA, but last year we got a lot of relief in one product, because of that, we had hopes that we would do well in USA. I do not see that happening immediately. However, in Q1, we had volumes sales of 2,000 tons to USA, but after that all this crisis started.

Now inquiries is also not there. So this is it, but India is not an export-based country. That is fine, we have a trade deficit of around 3 lakh crores with USA. Our domestic consumption is very strong. Our country is not export-based. And in the long term, I don't think India will be badly affected by this.

Immediately, yes, some issues can come, because in pharmaceuticals too there is talk of 75% additional by Mr. Trump. So let's see how long it goes. Hopefully, some developments are also happening. Mr. Trump is meeting Russia too. Russian delegation is coming to India too. Our Prime Minister is also going. Trade dialogue is still on. So this is a situation of wait and watch.

**Raj Mehta:** So sir, don't you think that quarter 1 growth in export, was predominantly to build up the inventory, because chances of tariff coming were high and thus it couldn't be a sustainable demand?

- Raju Bista:** There is no issue of tariff in that. In fact, there is no such thing in the Middle East. There is good growth in the Middle East and Europe and Australia, Most of the exports have happened with non-US countries and the growth is from there only.
- Raj Mehta:** Sir, I had asked you regarding domestic market. The spending by Government has slowed down since last 3-4 quarters. Government spending is not increasing aggressively. In this quarter too, we didn't get the kick in growth due to low Government spending. We are also increasing our capacities. In case we are not able to optimally utilize our capacity, then we will not be able to break even. So, are you not able to see any domestic related risks in future?
- Raju Bista:** Okay. No, there is no particular risk. But we have some API orders in the pipeline and in the tender stage. And there is demand in the water pipe segment, where we are also selling spiral and small-size pipes. In India, it is true that there has been a delay in spending or the disbursement of orders. But I don't think it will have much of an impact. Because looking at our current order book, I think we will meet out our targets.
- Raj Mehta:** Sir, have you ever experienced that when you get such an order book, the chances of it being cancelled, how much percentage of the order book do you think can get cancelled?
- Raju Bista:** I became an MD in 2012. How many years has it been? It's been 13 years. To date, no order has been cancelled in my knowledge. And as far as exports are concerned, API tenders etc. there are so many large companies and PSUs involved. We also honor the order and they too do the same. So, I don't think there will be a situation where the tender will be cancelled. At least in our case, there is no such situation.
- Raj Mehta:** Sir, I have one last question. Your competitor, APL Apollo, had a good volume growth in this quarter. And they have also expanded their capacity in Dubai. So, if we are also supplying in the Middle East, can APL Apollo slowly capture our market share in exports, by selling at a lower price? Or you don't see much impact of it yet. Are we seeing any slowdown in the growth that we had expected from the Middle East?.
- Raju Bista:** Firstly, we don't have much interest in the local market of the Middle East. Because we have to pay a clean credit for 6 months. Secondly, we have an export-based unit in Gujarat. The cost involved in manufacturing anywhere in UAE and send it to Dubai is not worthy. So, it won't have any impact – whether we are present or not
- And even today, whatever all the Indian companies export in the ERW segment combined, Surya Roshni does more than that. Because we have such a vast experience, strong relationship, and we have maintained that quality till date. And purely in many countries, Surya Roshni is the dominating player.
- Raj Mehta:** Okay. And sir, can you implement some learnings from your competitors in your company? Seeing the pace they have grown in the last 4 years, and their learning of the industry, do you feel that we should implement those things and build our growth aggressively?
- Raju Bista:** I completely agree with you. And every company has its own USPs. But a few things definitely apply in our case as well. For example, our unit is present in the North, in Gujarat, and in

Bangalore where we just established a unit. Apart from that, we don't have a presence in the whole East, Central India, or Western Bombay, Maharashtra, where we don't have presence and where we are trying to set up.

And apart from that, even if we can HR coil in a small capacity, then it will be very beneficial and fruitful for us. So we are exploring that as well. But nothing has been discussed in the board yet. We are working on it at our level. And the person who learns, moves forward.

**Raj Mehta:** Okay, sir. All the best. And I hope that you stick to the guidance you have given, and the market appreciates it.

**Moderator:** Thank you. Ladies and gentlemen, due to time constraints, that was the last question. I would now like to hand the conference over to Mr. B. B. Singal for closing comments.

**B. B. Singal:** Thank you everyone for joining us today on this year's earning call. We appreciate your interest in Surya Roshni Limited. I sincerely once again thank our MD sir and the CEOs for sparing their valuable time in addressing queries raised by participants who attended the call. For any further queries, if any, contact SGA, our Investor Relations Advisor. Thank you. Good evening once again.

**Management:** Thank you, Jay. Thank you very much.

**Moderator:** Thank you, sir. On behalf of Surya Roshni Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.