



SURYA ROSHNI LIMITED

CIN - L31501HR1973PLC007543

2nd Floor, Padma Tower-1, Rajendra Place, New Delhi-110 008
Ph.: +91-11-25810093-96, 47108000 Fax : +91-11-25789560
E-mail : cs@surya.in Website : www.surya.co.in

SRL/21-22/103
February 14, 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- Q3– FY2021-22 RESULT HIGHLIGHTS

Dear Sir,

This is with reference to our letter dated 7th February, 2022 intimating the date of the Board Meeting of Surya Roshni Limited, we wish to intimate the Outcome of Board Meeting held on 14th February, 2022, wherein the Company has approved the following:

- Un-Audited Financial Results (Standalone and Consolidated) for the quarter / nine-months ended 31st December, 2021 along with the Limited Review Reports from the Statutory Auditors, M/S Ashok Kumar Goyal & Co. on the Un-Audited Financial Results -Standalone and Consolidated


In this regard please find attached the Press Release titled

Surya Roshni Limited: Q3FY22 Results Highlights- Resilient Performance Driven by Improved Product Mix

You are requested to kindly take the same on your records.

Thanking you,

Yours faithfully
For Surya Roshni Limited


B B SINGAL
Sr. V.P & COMPANY SECRETARY



Enclosed: as above

Surya Roshni Limited: Q3FY22 Results – Resilient Performance Driven by Improved Product Mix

New Delhi, February 14, 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 unaudited financial results for the quarter and nine-months ended December 31, 2021.

Consolidated Financial Performance Highlights

Particulars (In ₹ Crores)	Q3 FY22	Q3 FY21	Change	Q2 FY22	9M FY22	9M FY21	Change
Revenue	2,030	1,578	29%	1,946	5,429	3,840	41%
EBITDA	99	117	(16)%	102	294	263	12%
Profit after Tax (PAT)	40	56	(27)%	44	122	100	22%

- 29% growth in revenue due to strong growth in value-added product categories in both the businesses and higher steel prices
- Margins remained under pressure due to higher raw material prices and other input costs, which were partially offset by price increases.
- Cash conversion cycles remained positive with a focused approach in managing working capital.

Steel Pipe and Strips Performance Highlights

Particulars (In ₹ Crores)	Q3 FY22	Q3 FY21	Change	Q2 FY22	9M FY22	9M FY21	Change
Revenue	1,661	1,212	37%	1,604	4,504	2,962	52%
EBITDA	71	77	(8)%	75	222	175	27%
EBITDA/MT (Rs.)	3,815	3,726	2%	4,060	4,257	3,268	30%
PBT	35	43	(19)%	40	118	79	51%

- 37% growth in revenue due to strong volume growth in value-added products and higher steel prices
- Strong 40% volume growth registered in value-added products and markets including API & Spiral Pipes, Actual Users and Exports. The strong order book provides clear visibility of growth in these categories.
- **Strong Orderbook:**
 - Exports orderbook stood at ~ 32,000 MT as of 31st December 2021
 - API coated pipes orderbook stood at ~ 50,000 MT as of 31st December 2021
- **Impact of Volatility in Commodity Prices:**
 - During the later part of the quarter, lower price trend in steel prices lead to destocking at dealer level and cyclone & extended monsoon, resulted in overall volume drop of 10%.
 - The recent uptrend in steel prices from February'22 is expected to bring in re-stocking at dealer level resulting in an increase in demand.

➤ Update on Large-dia DFT Facility:

- Commissioning Large-dia section pipe facility with Direct Forming Technology (DFT) at Gwalior by the end of FY22.
- Targeting a healthy revenue mix from Domestic and Exports markets from this facility.

Lighting and Consumer Durables Performance

Particulars (In ₹ Crores)	Q3 FY22	Q3 FY21	Change	Q2 FY22	9M FY22	9M FY21	Change
Revenue	372	369	1%	342	929	884	5%
EBITDA	28	40	(31)%	28	72	88	(18)%
PBT	19	31	(37)%	20	47	55	(16)%

➤ Product Mix Improvement:

- 10% growth in revenue of LED Lighting during Q3FY22 as compared with Q3FY21 along with increased share of value-added products like LED battens and down-lighters.
- 9% sequential growth in revenue on a QoQ basis. However, the higher base of last year, higher raw material prices & other costs impacted revenue growth and profitability during Q3FY22 on a YoY basis.
- B2C lighting witnessed strong growth momentum led by LED consumer lighting while B2B lighting witnessed increasing enquiries.
- De-growth of 12% YoY in conventional lighting and higher costs have impacted the segmental profitability.
- Higher commodity prices impacted the growth and profitability particularly in Consumer Durables.

➤ Intensified advertising and marketing spends through TV advertisements, BTL activities and active online digital media campaigns

- Lighting and mixer-grinders ad campaigns launched.

➤ Continued Momentum in Professional Lighting with Smart Lighting Solutions:

- **Projects Commissioned:** Bharat Darshan Park (Punjabi Bagh, New Delhi), Aurangabad Karodi National Highway, Tallah Bridge (Kolkata)
- **Projects under Implementation:** Greater Noida LED Street Lighting worth Rs. 41 crores, Tawi Bridge façade lighting along with other multiple prestigious projects under implementation for Façade and Professional Lighting

➤ Financial acumen led to positive operating cashflow.

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

The company continued to register a resilient performance on a YoY basis primarily driven by a growing share of value-added products across Steel Pipes, Lighting and Consumer Durables. The margins were impacted to some extent as the input costs continued to remain at elevated level. However, the company proactively undertook multiple price hikes and will continue further to mitigate higher input costs. With strong brand recall and customer preference for the "Surya" brand, these price hikes were well accepted by the market.

With strong business acumen led by professional management, financial prudence and a "Customer First" approach, Surya Roshni has transformed both Lighting & Consumer Durables and Steel Pipes & Strips businesses as independent, self-sustaining, self-propelling businesses in terms of earnings, debt repayment and growth, leading to continuous growth in revenue and profitability along with upgrades in credit ratings.

Mr. Nirupam Sahay, ED & CEO of Lighting and Consumer Durables, has agreed to continue in order to further strengthen the Lighting and Consumer Durables business.

In the **Steel Pipes and Strips Business**, the company witnessed a growth of 37% YoY in Revenue driven by higher steel prices and consistent increased share of margin accretive API pipes and exports. The company continued to get consistent orders for high margin 3LPE coated API pipes. Going forward, the focus remains on increasing the share of value-added products like GI pipes, API coated pipes and exports in steel pipes and strips.

In **Lighting and Consumer Durables Business**, the company witnessed healthy growth across the new-age product lines. However, the sudden emergence of the 3rd wave of covid-19 impacted the consumer sentiments and led to destocking at the dealer level. This along with higher commodity prices impacted the overall growth and profitability. The company continues to focus on growing revenue share of value-added products and Smart Lighting to increase the margins further. The company's relentless focus on bringing down the replacement cost has worked well. Company-wide initiatives were undertaken to increase productivity such as Salesforce Automation (SFA) which is being rolled out across all the regions. The company is continuously investing in marketing and advertising with a vision to transform into a modern, innovative, progressive and agile brand. The company will continue to focus on participating in multiple Smart Lighting projects in the Professional Lighting.

Surya Roshni has received approval under the 'Large Investment' category for manufacturing of components of LED lighting in the PLI Scheme. The capex of Rs. 25 crores to be incurred over 5 years has already started. This shall further strengthen the backward integration and will reduce reliance on imported components.

The Hon'ble Finance Minister, on 1 February 2022, has endeavoured for a simple but forward-looking Budget having substantial capex-spending with due thrust on infra and logistics development, leveraging on digital opportunities and ease of doing business through a trust-based governance. The Jal Shakti ministry has seen a sharp increase in budgetary outlays over the last two years, the total planned outlay for the ministry in the 2022-23 Union budget is ~ Rs 79,000 crore, out of which almost three-fourth has been allocated to the department of drinking water and sanitation. The river-linking projects as announced in the budget would further drive the demand for spiral pipes.

The company is witnessing multiple growth levers internally through premiumization across business segments, strengthened balance sheet, cost optimization initiatives and diversified value-proposition. This is further supported by external levers such as PLI, pick-up in economic activities and the country's growing exports in 3LPE and GI pipes.

Adding further, Mr. Vinay Surya – Managing Director said, “At the onset, I am grateful to our chairman and the board of directors for bestowing this responsibility on me. I along with Mr. Raju Bista will share joint responsibility and will work together in close coordination under the chairman’s leadership for the achievement of greater heights of success. Our focus would be on creating more value for all the stakeholders.

Over the years, the company has focused on creating a niche through market leadership in value-added products in the steel pipes business. The strategy has worked well for the company. Today Surya Roshni stands out as the foremost company for 3LPE Coated API Pipes & GI Pipes and enjoys a leadership position in exports markets.

During Q3FY22, the company witnessed a healthy revenue growth of 29%, largely driven by robust volume growth in value-added products and higher steel prices. However, destocking at channel level inventory especially during the end of the quarter affected the overall volume growth. The impact of lesser than anticipated volume growth due to volatile steel prices had effected the profitability to some extent. The strong orderbook for exports, API coated pipes and Spiral pipes are expected to drive the growth in the upcoming quarters. This will be further supported by the commissioning of a Large-dia section pipe facility with Direct Forming Technology (DFT) at Gwalior.

Financial prudence, professional management across the spectrum, working capital optimization along with a healthy balance sheet have resulted in strong cash collection and prudent purchase decisions. The company is well on track to achieve it’s long-term vision”.

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:

Company	Investor Relations Advisors
 <i>Energising Lifestyles</i> CIN: L31501HR1973PLC007543	 CIN: U74140MH2010PTC204285
Mr. Tarun Goel +91 9810248348 tarungoel@surya.in www.surya.co.in	Mr. Jigar Kavaiya / Mr. Chinmay Madgulkar +91 99206 02034 / +91 98600 88296 jigar.kavaiya@sgapl.net / chinmay.m@sgapl.net www.sgapl.net