

THE COMPANY ANNOUNCES AUDITED FINANCIAL RESULTS FOR THE 4th QUARTER AND YEAR ENDED MARCH 31, 2020

Surya Roshni Limited, the largest exporter of ERW Pipes, largest producer of ERW GI pipes and second largest Lighting Company in India, has declared its audited financial results for the quarter and year ended March 31, 2020 at its Board Meeting held on June 25, 2020.

We are proud to inform you that the highly prestigious Padma Shree award has been conferred upon to our Company's Promoter & Executive Chairman Shri Jai Prakash Agarwal for his distinguished service in the field of Trade and Industry by Government of India.

Financial Results Highlights (Consolidated)

The product portfolio of Steel Pipes and Strips segment continuously strengthening with higher contribution from value added products viz API, GI pipes & from exports. During FY20, the Company registered Revenue of Rs. 5,471.05 crore as compared to Rs. 5,975.04 crore in FY19 (declined by 8%). The EBITDA stands to Rs. 357.55 crore in FY20 as compared to Rs. 376.07 crore during FY19. The profit after tax stands at Rs. 102.55 crore in FY20. The sales impacted due to decline in prices of steel, LED Street Lights & Luminaires on y-o-y, deferment in EESL / Government sales in lighting, outburst of COVID 19 and consequent lockdown which also impacted the profitability in line with market conditions.

During Q4FY20, the Company registered the Revenue of Rs. 1,338.65 crore and EBITDA of Rs. 91.02 crore as compared to Revenue of Rs. 1,704.49 crore and EBITDA of Rs. 119.77 crore in Q4FY19. The profit after tax stands at Rs. 29.80 crore in Q4FY20.

Steel Pipes & Strips Segment Performance:

The profitability of the segment improved with strengthening of product portfolio. Volume of the segment grew by 4% during the FY20 in spite of the impact of adversities of COVID 19 and sluggish market conditions. The overall Revenue of the segment stands at Rs. 4,234.66 crore in FY20 as compared to Rs. 4,426.70 crore during FY19 in spite of decline in prices. The EBITDA registered 13% growth and stood at Rs. 255.73 crore during FY20. Profit before Tax of the segment registered an increase of 31% and stands at Rs. 97.48 during FY20 as compared to Rs. 74.28 crore during FY19.

The Segment registered the revenue of Rs. 1,040.66 crore in Q4FY20 as compared to Rs. 1,232.69 crore during Q4FY19 and the EBITDA stands to Rs. 66.18 crore during Q4FY20 as compared to Rs. 72.37 crore during Q4FY19. The EBITDA per ton further improved to Rs. 3,490 in Q4FY20 as compared to Rs. 3,315 in Q4FY19. The exports sales in volume grew by 28% and GI Pipes by 19% during FY20.



Rajiv

The Steel Pipes and Strips segment looks promising with increasing share of high value added products and efficiencies in manufacturing cost, which will continue to drive the improvement in EBITDA margins. The Company has completed the capacity expansion programme for its Hindupur Unit and the capacity now stands to 2 lakh M.T per annum of ERW pipes along with Galvanized pipes. This will be further benefiting the Company due to increased economies of scale and leveraging the existing infrastructure. Surya continues to enjoy leading position with strong thrust on export markets, GI Pipes and ERW Oil & Gas Pipes.

The 3LPE coated pipe unit which was established last year remained fully engaged, generated sales of **Rs.439 crore of 3LPE Coated Pipes**. Presently the capacities are fully booked, having adequate orders and consistently receiving orders from IOCL, BPCL, BGRL, ONGC and CGD sector for API Grade/ 3 LPE Coated Pipes. Seeing the huge domestic requirements and **flow of enquiries from Global Markets**, the Board of the Company has approved for expansion programme for installation of second 3LPE Coating Line. With this additional coating Line, the share of high value added pipes shall further increase.

Lighting & Consumer Durables Segment Performance:

During FY20 the Company registered Revenue from operations of Rs. 1,247.97 crore as compared to Rs. 1,553.41 crore in FY19. The EBITDA had been Rs. 102.15 crore in FY20 as compared to Rs. 149.18 crore in FY19. The sale is affected due to decline in prices of LED Street Lights & Luminaires on y-o-y, deferment of EESL Sale and of other Government Orders as well as de growth (24%) in conventional lighting. The Sale to EESL has been Rs 96.45 crore in the Current Year as against Rs 330.19 crore in the previous Year. The sales of the trade division remained stable in the challenging market conditions. The Lighting Segment has contributed Operating Cash Flows of Rs 154 crore (net of acceptances) during the year which helped in reducing debt.

The revenue and EBITDA stand at Rs. 303.43 crore and Rs. 25.28 crore during Q4FY20 as compared to Rs. 474.21 crore and Rs 47.40 crore respectively during Q4FY19. The sales to EESL stands at Rs 6.45 crore in Q4FY20 as against Rs 137.03 crore in the Q4FY 19 due to deferment of orders of Rs 129 crore as at 31.03.2020. The de growth in conventional lighting has been 34% in the current quarter. We are hopeful that the deferred supplies shall be contributing to the sales of FY 20-21.

Debt Reduction with Improvement in Financial Ratios

Over the period, the increasing fixed asset utilization had resulted into generation of higher operating cash flows which helped in reducing the funded debts by Rs 101 crore and creditors by Rs 55 crore. We have prepaid Term Loans of Rs. 61 crore during the year. The finance cost of the Company remains competitive. The Debt to EBITDA improved to 3.05 and Debt Service Coverage Ratio to 1.89 with Debt Equity at 0.88. Going forward, the funded debt is reducing by over Rs 150 crore in the ensuing quarter.



Katru.

Progress of Odisha Greenfield Street Lighting Project (SPV)

During FY20, the SPV has registered a Revenue of Rs.8.04 crore which remained lower due to deferment from DMA Orissa. The Project progress has also been affected due to COVID-19 outbreak and subsequent lockdown. We are fully equipped for the project execution and expecting to fully complete in the current calendar year.

Future Outlook:

With the unlocking of the economy post lockdown, India is going to become a preferred location for global manufacturing in medium to long term, which shall further make the company more competitive considering its strong brand presence, PAN India operations and extensive dealer network mainly in rural and semi-urban areas.

The Central Government has given special stimulus packages under **AatmaNirbhar Bharat Abhiyaan** with more emphasis to rural India, agriculture, manufacturing and exports. The growth in rural India is expected to be higher than urban in future. As company's majorsale comes from rural, semi urban & from exportsand therefore, going forward, both the segments of the company shall be performing well.

The Government thrust on projects like increasing the share of gas in energy mix, City Gas Distribution network, improved focus on domestic water segment, irrigation projects, allocation in 'Nal se Jal' scheme, etc. will further boost the growth of both its segments.

In order to reward company's shareholders, Board has recommended a dividend of Rs.2.00 (20%) per equity share on the paid-up equity capital for the year ended 2019-20 subject to the approval of shareholders at the ensuing AGM.

Date: June 25, 2020
Place: New Delhi
DIN – 01299297



Raju Bista
Managing Director

Disclaimer:

We recommend that readers to refer to the detailed financial results of the company for the quarter/year as available on the website of the company – www.surya.co.in. This document contains forward looking statements about the business, financial performance, skills and prospects of the company, which should be viewed in context of many risk issues and events that could cause the actual performance to be different from that contemplated in this document. We cannot assure that outcome of these forward looking statements will be realized.