

SURYA

Energising Lifestyles



SURYA ROSHNI LIMITED

Investor Presentation

MAY, 2018

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| Company Profile

Surya Roshni Ltd. (SRL) is a 45 years old Listed, Profit making, Dividend paying company with diverse yet complementary businesses catering to the Indian Infrastructure sector. The Company started its operations in 1973 by setting up a plant in Bahadurgarh and emerged today as a reputed manufacturing conglomerate by becoming the second largest manufacturer of Lighting goods and the largest GI, ERW Steel Pipe manufacturer and exporter in the country.

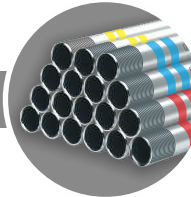
Surya primarily deals in two segments

Steel Pipes & Strips Segment

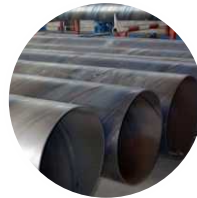


Steel Tubes & Pipes

ERW – GI/Black/Section



Spiral Pipes



API Pipes



Cold Rolled Strips



Lighting & Consumer Durable Segment

LED Lamps



LED Street Lights



Conventional Lighting



Fans



Home Appliances & Fittings

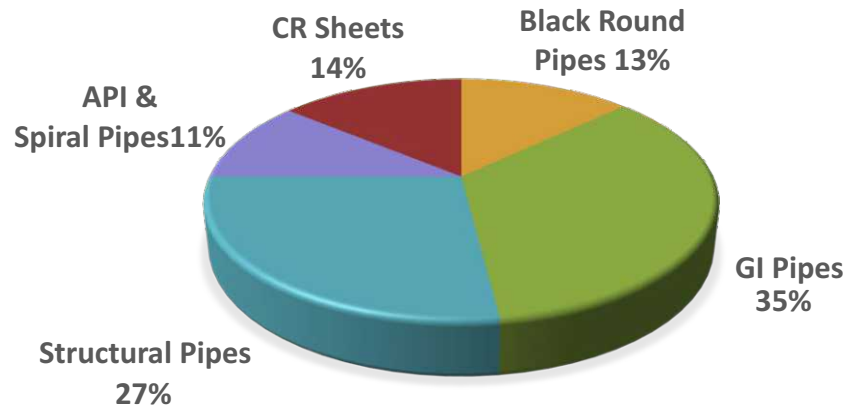


PAN India Presence

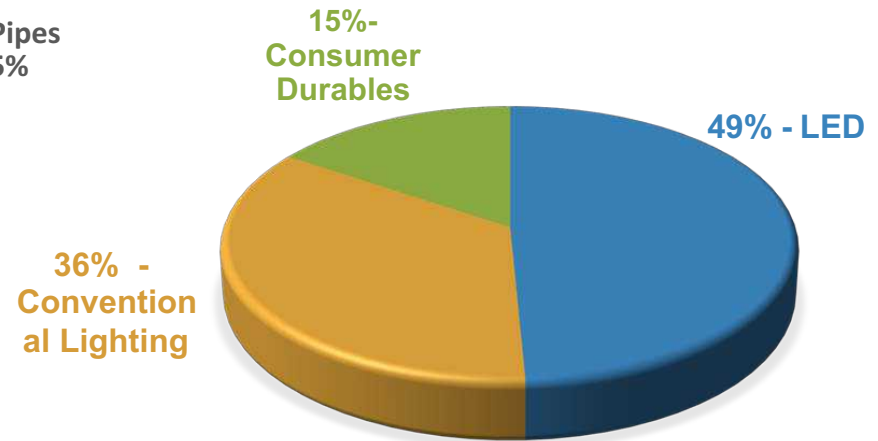


| Product Wise Revenue Split FY -2017-18

STEEL PIPES & STRIPS*



LIGHTING & CONSUMER DURABLES



- Surya Global Steel Tubes Limited merged with the Company effective from Appointed date 01.04.2016 as per approved Scheme of Arrangement by Hon'ble NCLT, hence the figures have been reported on merged basis.

Steel Pipes & Strips Business Key Details

Contribution to Revenues	Year Ended 2016-17		Year ended 2017-18	
Gross Revenue (Rs. in Cr.)*	2836		3623	
Value increase (in %)	13		36	
Volume Growth (in %)	7%		20%	
			CAGR 3 Year @ 14%	
Plant Locations	Bahadurgarh (Haryana)	Malanpur (M.P)	Hindupur (A.P)	Anjar – (Bhuj- Gujarat)
Unit Set up	1973	2010	2017	2010
Business model	Company manufactures ERW Steel Tubes pipes, GI Black, Hollow section Pipes of different dimensions and types and also manufactures CR sheets.			
Position and Brand	Company is the largest exporter of ERW Pipes and largest producer of ERW GI pipes in India, The Pipes are sold under Brand “PRAKASH SURYA”			
Exports	To more than 25 countries (UAE, Australia, Egypt, EU, Canada, US etc.)			
Marketing Network	Over 250 Dealers and 21,000 Retailers			
Raw materials Suppliers	Steel Authority of India Limited, JSW Steel, Hindustan Zinc, Tata Steel, Essar Steel, etc.			
	Posco, Angang Sngang, Zaporzhstal etc.			
SRL - Production Capacity (Per annum)	Particular		Capacity	
	ERW Pipes		9,00,000 MT	
	CR Sheets		1,15,000 MT	
	Spiral (including offline)		2,00,000 MT	
	Total MT'		12,15,000 MT	

| Industry Structure – Steel Tubes & Cold Rolled

Steel Tubes

Cold Rolled

GI & Round

Structural

Oil and Gas

CR Sheets



- Plumbing & Boring
- Casing & Tubing
- Irrigation & Agriculture
- Firefighting applications
- Engineering
- Urban Development



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- Automobile
- Electrical Motors
- Furniture
- Domestic Appliances
- Drums & Barrels
- Stamping

| Steel Pipe Plant at Anjar (Gujarat)

- Merger of Associate Surya Global Steel Tubes Limited with the Company has been effective from 1st April, 2016 as per Hon'ble NCLT order which has created of a larger and stronger Steel Pipes segment with optimal utilization of resources and operational synergies.
- Anjar plant is spread over 92 Acres of land and was established in 2010 and in close proximity to two major ports Kandla / Mundra giving it a strategic advantage and competitive edge in exports and imports.
- The unit has received prestigious order of Rs. 314 crore from IOCL for supplying API grade pipes against which supplies of Rs. 174 crore for coated pipes made in FY 2017-18 and balance shall be made in current financial year.
- Considering the strong demand and higher margins, company is setting up state of the art 3 LPE Coating unit at this plant for 18,50,000 SM external coating and 11,00,000 SM internal coating which is progressing ahead of Schedule
- The coating facilities will strengthen the presence of the company in Oil and GAS Sector and benefit by saving in cost of coating as well as higher capacity utilization of API pipes facility.



BHUJ PLANT



3LPE PIPE COATING SHED

| Steel Pipe Plant at Hindupur (A.P)

- The plant at Hindupur (A.P) for manufacturing of State of the art ERW (GI, Black, Section) pipes which has started Commercial production w.e.f. 1st March, 2017 with an installed capacity of 90,000 M.T p.a. which further enhanced to 1,50,000 M.T during the year 2017-18. The full benefit of expanded capacities will be derived from the current year.
- The Hindupur plant is situated in the premium market of South India which is resulting into saving in logistic cost, increase in its market share and also reduces dependence on Bahadurgarh Plant and strengthening the overall position of the Steel Pipes and Strips segment of the Company.
- The Investment made in the unit had resulted into one time benefit in Income Tax and benefit by way of tax incentives under VAT, GST (for 7 years) and rebate in Electricity charge (for 5 years) as per the investment policy of the State Government of A.P.



| Growth Ahead - Steel

- The National Steel Policy 2017 provides a long term vision for the sector and will boost the Steel sector as government targets steel capacities to 300 Million MT by 2030 as against present capacity of 128 Million MT.
- The Govt. of India stipulated 15% value addition in India in bidding for projects above Rs. 50 crore which provides level playing field to domestic manufacturer.
- The Unified Gas Policy thrusts on City Gas Distribution projects, laying of new Oil and Gas pipe lines, exploration of new gas fields and increase in crude prices generating huge demand of API pipes. Surya, will be benefited as these pipes can be manufactured at Anjar and Bahadurgarh Plants.
- Increase of spent on infrastructure projects, project of linking of rivers across the country, Affordable housing, smart city development shall boost the demand for steel pipes.
- Export demand for Steel pipes are increasing considerably on account of Infrastructure Development for Dubai Expo 2020 and 2022 FIFA World Cup in Qatar
- The auctioning of NPA Companies through NCLT shall stop unwarranted competition and improve the margins of the Company.
- Surya with its strategic plant locations, huge infrastructure and pan India marketing set up shall be benefited significantly by these opportunities..

Infrastructure

Housing

Urban

Smart
City

Railway

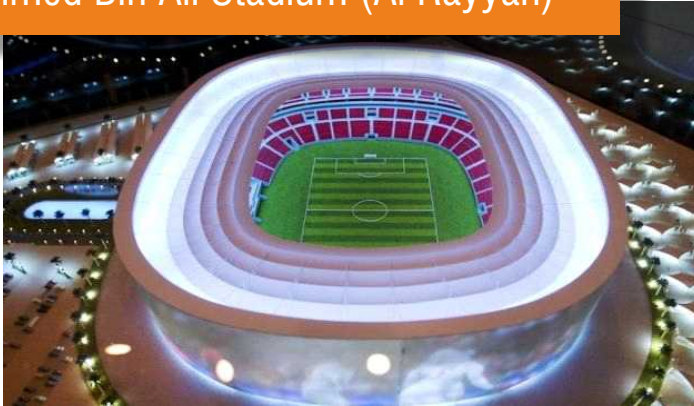
Agriculture

City
Gas

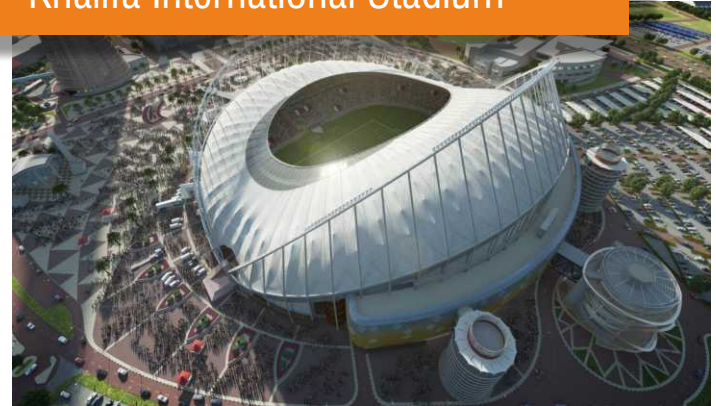
Fire
Fighting

| **FIFA-2022, Qatar : 'Prakash Surya' approved**

Ahmed Bin Ali Stadium (Al Rayyan)



Khalifa International Stadium



Al Bayt Stadium



Lusail Iconic Stadium

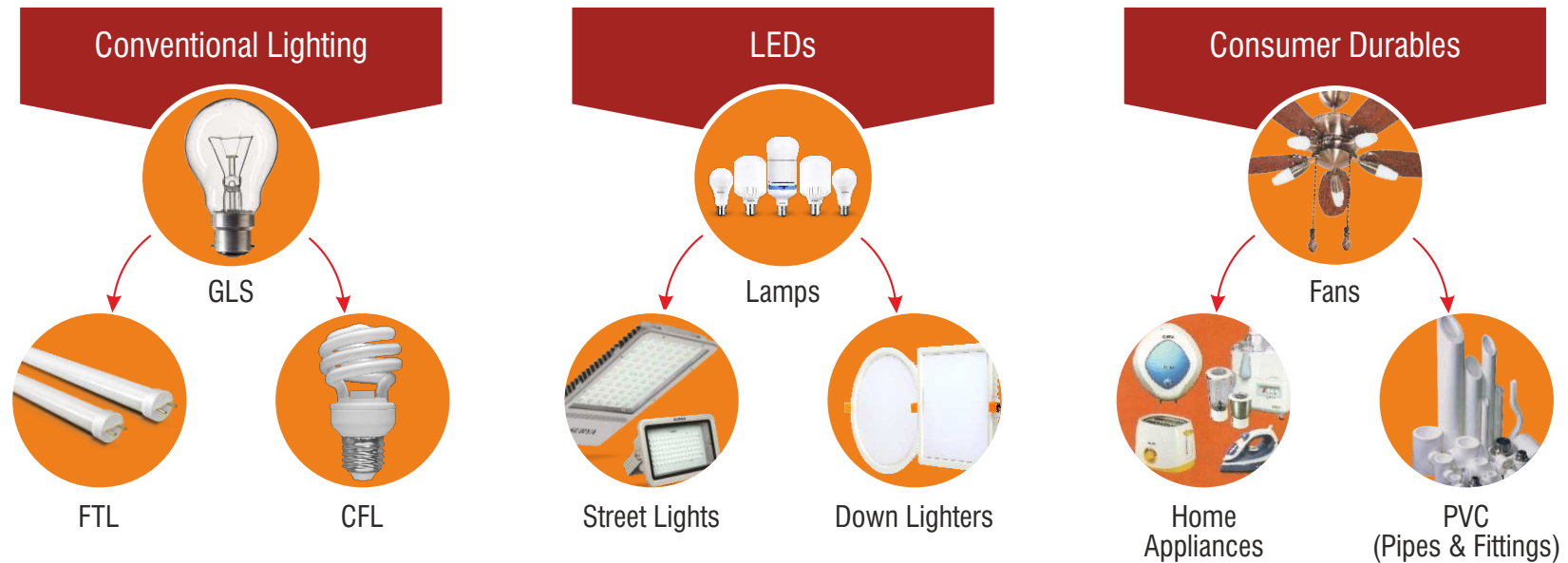


| Lighting & Consumer Durables Segment Key Details

Particulars	2016-17			2017-18	
Turnover (Net of Taxes)	1282			1383 (CAGR 12%)	
LED Growth (in %)	77%			45%	
Plant Locations	Kashipur (Uttarakhand)			Malanpur (M.P)	
Unit Set up	1984			1992	
Business Products	Manufacturing of LED lamps, Street Lights, Luminaires, GLS, Tube Lights (FTL), CFL, HID with backward integration. Successfully Ventured into Fan & Home Appliances Business.				
Positioning and Branding	2 nd Largest in Lighting – Marketing under brand“ SURYA ”				
Exports	To more then 25 Countries including Middle East and U.K (GEQsram & Tungsram				
Marketing Network	Over 2500 Dealers and 2,50,000 Countrywide Retailers across PAN India				
Raw materials Suppliers	Hindalco, Tata , Reliance, Nichia, Mitsui,Foshan Nationstar, Dongguan, Glass Bond, MLS etc.				
SRL – Production Capacity (Per annum)	LED Bulbs	LED Street Lights	LED Tubes & Fittings	GLS	FTL
	72 MN PCS	3.60 MN PCS	10 MN PCS	200 MN PCS	60 MN PCS

| Lighting & Consumer Durables Products Profile

Surya Roshni Ltd. is the 2nd largest lighting Company in India and is capable to contribute largely towards the LED

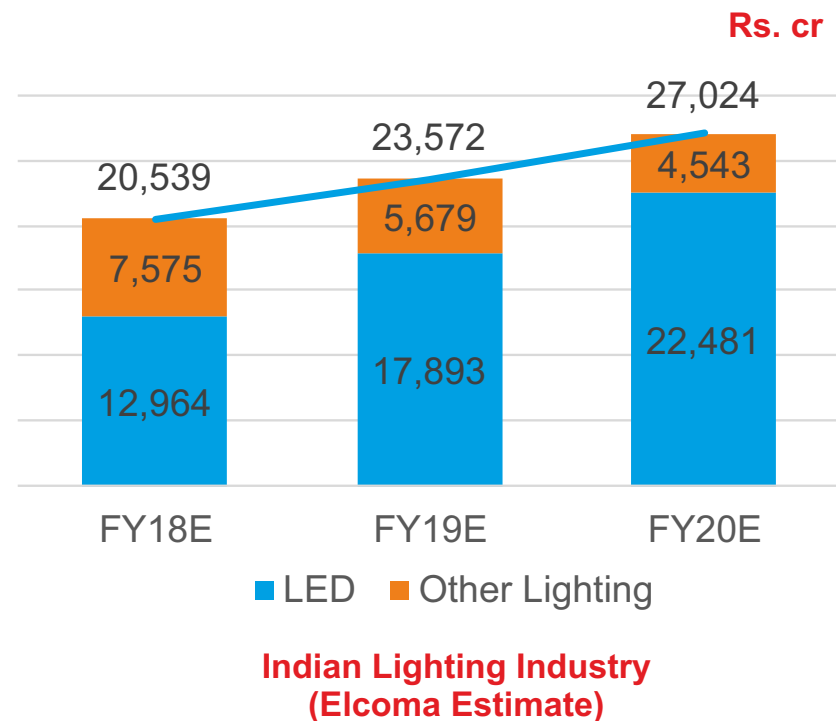


| Lighting – Industry Overview

■ **Industry Size:** Lighting is expected to grow at a CAGR of 16% by FY20

- Growth is being given by LED's
- LEDs will constitute more than 80% of the lighting by FY20.
- LED industry expected to grow exponentially over the next few years reaching INR 22481 Cr. by (CAGR of 20% over FY18-20E).

■ **Industry Structure:** Organized market (~60% of total market) is dominated by 7 players taking up ~75%.



| Lighting – Industry Overview

■ Government initiatives (Focus on Energy Efficiency & Go-Green):

- Government focusing on changing all the street lights to LED (approx. 40 Million) and lighting of commercial buildings to LED's.
- Under DDUGJY scheme, Government is in the process to provide LED lamps to households.
- Bijli Har Ghar Yojana (Saubhagya) to electrify 40 million families in rural and Urban areas.
- Unnat Jyoti by affordable LED for all (UJALA) through EESL.



■ Key Future Trends:

- Consolidation in the Industry, retail network, brand and market reach shall be of critical importance.
- Increasing consumer preference of luminaires over basic Lighting – multifold value addition
- A shift to LED for most public Lighting applications (eg. National Highways, Street Lights, Parks etc.)

| Lighting & Consumer Durables Segment



- 2nd largest manufacturer of lighting products in India with complete backward integration.
- In last 2 years radical changes have taken place in Lighting Business where in CFL sales was replaced by LED lights, de-growth in conventional lighting products, volume of LED increasing exponentially but prices has gone down.
- LED lighting are more cost efficient due to its energy efficiency and LED market is expected to grow manifold on account of its long durability.
- Company also launched Premium LED Lighting range of LED Down-lighters, Battens, Lamps, Street Lights, Flood Lights and decorative luminaires.
- Currently 4 million Street Lights have been replaced in which Surya contributed 1.2 million. Company is looking to supply of 2.5 million in this year. The Street Light segment is going to play a very important role in giving a very high surge to LED business in India.
- Railways have also started replacing all lighting at platforms, staff quarters and trains with LED lights. Similarly Airport Authority also installing LED Lighting in most off the Airport projects.

| Fan and Home Appliances Business



- Surya has entered into the market of Domestic & Industrial Fans in FY 2014 and in a short span of 4 years company gains No. 6 slot in the Fan market as it provides wide categories of designer and colourful range of ceiling, table, pedestal and wall mounting fans, along with a wide range of domestic exhaust fans and achieved Turnover of Rs. 172 crore during 2017-18
- Company is expanding its base by launching new design, energy efficient fans and market penetration will enable to grow with 20% CAGR.
- SRL ventured into Domestic Appliances business in FY 2015 and provide feature rich, contemporary range of Electrical Home Appliances like, Water Heaters, Room Heaters, Dry Irons, Steam Irons and Immersion Heater and Kitchen appliances like Mixer Grinder, Induction Cookers, Toasters etc and has achieved a turnover of Rs. 45 crore during 2017-18.

| Surya Technology and Innovation Centre- R & D Centre

- **R&D:** Surya Technology & Innovation Centre (STIC) - duly approved by DSIR and NABL at Noida
- STIC the most advanced Photometric Laboratory in India equipped with a High speed Mirror Gonio photometer (Type C) from LMT, Germany – the best equipment available for measurement of luminous output and intensity distributions of light sources, luminaires and for testing of optical design of lighting system.
- The Company's advanced lighting research centre, continuously focus to develop new products to further augmenting the Company's product portfolio.
- STIC is actively enabling the company to provide the most energy efficient, safe, reliable and environment-friendly lighting products with its ability to do the best-in-class research, design and development and thus contributing towards Green India.

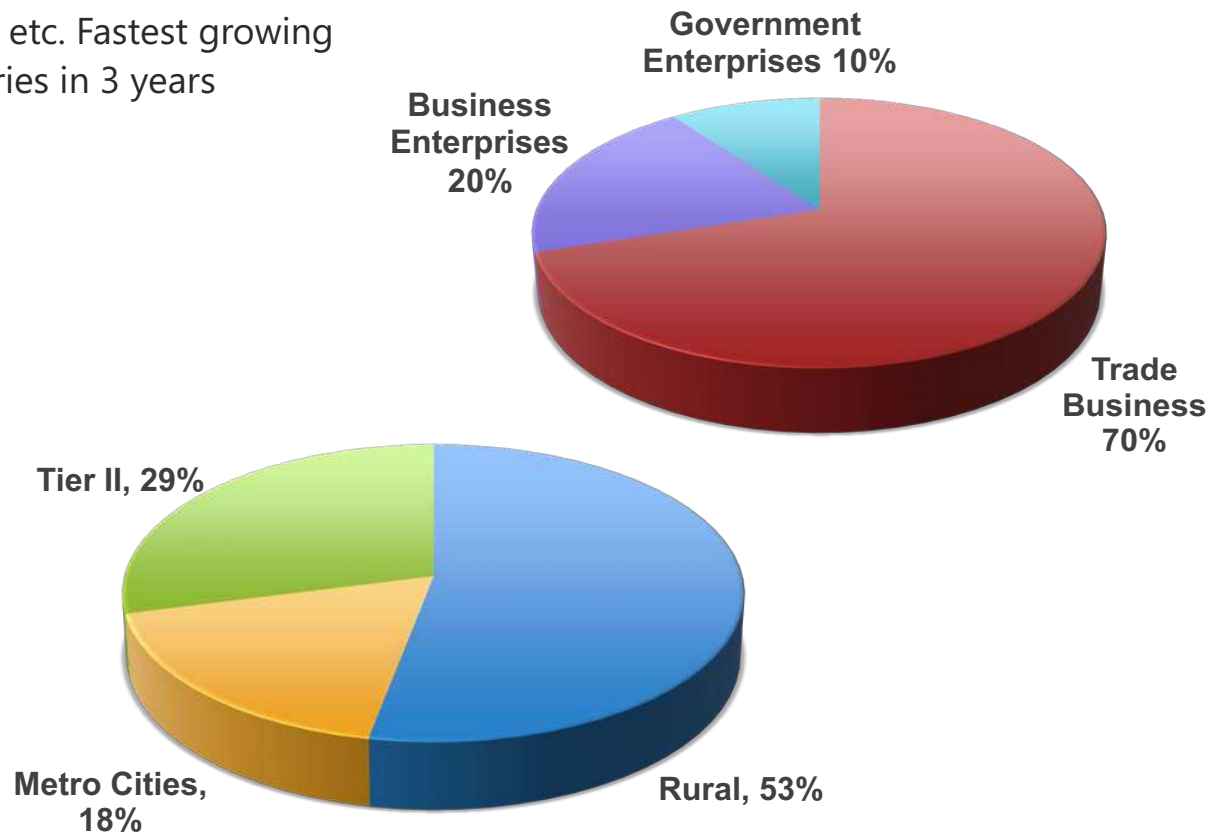


| Distribution Strength

- Leader in various states such as AP, Telegana MP, Chhattisgarh, Uttar Pradesh and Jharkhand; second in Karnataka, Delhi, Maharashtra, Bihar, Rajasthan, Uttaranchal etc. Fastest growing company in Fan industries in 3 years

- **Revenue by Region**

- 30% from South
- 28% from North
- 25% from west
- 17% from East



| Distribution Strength

1

Long-standing relationships with network partners (~50% of B2C lighting distributors have 5+ years of association) due to **transparent** and **attractive policies, incentives , foreign tours etc.**

2

Primary network is supported by a **strong secondary sales network** (300+ RTF & 2,000+ DSPs), which promotes **effective communication with the market**

3

Distribution network backed by **wide product range, strong R&D and quality management teams** to develop in-house solutions for specific micro-markets and resolve issues timely

4

Decentralised branch network system helps in quick logistical movements, fast execution of replacement demands and customer queries etc.

5

Strong trade network **supports of 2,50,000 Retail Outlets** the company's **diversification strategy** and allows it to **rapidly scale-up presence in new product segments**

| Thrust & Business Strategy

- Strengthen engagements with marquee customers through accreditation, improvement on product mix and delivery in time.
- Move up the value chain by penetration on LED Street Light, Batten, Down Lighters, other LED Fitting, new applications and target niche opportunities in LED lightings.
- Maximize utilization of existing manufacturing facilities, Operational efficiency by modernization, de-bottlenecking and adopting state of the art technology.
- Channel Financing arrangement for dealers (without recourse), Logistic cost rationalization, Continuous thrust on Capital efficiencies and improvement in ROCE and ROE.
- Thrust on quality product for special use, early stage innovation and value engineering through STIC NOIDA.
- Successful Commissioning of own facilities for 3LPE coating on pipes so as to ensure increased capacity utilization of facility of API PIPES
- Increasing spent on advertisement and publicity to strengthen the BRAND "SURYA" and "PRAKASH SURYA"



Financials

Financial Highlights Company as a whole

(Rs cr.)

Quarter Ended					Year Ended		
Dec-17	Mar-17	Mar-18	Q4 (Y to Y)	Particulars	31.03.17	31.03.18	% Growth
1313	1164	1426		Revenue from Operations	4181	5012	20%
1313	1085	1426	31%	Revenue (net of taxes)	3884	4931	27%
93	84	103	22%	PBIDT	314	349	11%
67	59	76	29%	PBDT	201	243	21%
45	38	53	41%	PBT	118	156	33%
31	29	37	29%	PAT	86	108	25%
19.86	15.86	19.86	25%	EPS (Annualized)	15.86	19.86	25%
1020	951	1047		Net Worth	951	1047	
1090	1116	1094		Fixed Assets (WDV)	1116	1094	
2072	2022	2144		Capital Employed	2022	2144	
1052	1071	1097		Debt	1071	1097	
13.70	12.46	14.92		ROCE (in %)	11.68	12.54	
12.16	12.19	14.13		ROE (in %)	9.63	10.81	

Financial Highlights Steel Pipes & Strips Segment

(Rs cr.)

Quarter Ended					Year Ended		
Dec-17	Mar -17	Mar-18	Q4 (Y to Y)	Particulars	31.03.17	31.03.18	% Growth
975	806	1031	28%	Revenue from Operations	2835	3623	28%
975	740	1031	39%	Revenue (net of taxes)	2605	3555	36%
58	49	61	22%	PBIDT	176	211	18%
38	31	39	24%	PBDT	100	131	31%
21	16	22	38%	PBT	37	64	74%
14	14	18	29%	PAT	28	45	61%
648	557	638		Net Worth	557	638	
862	878	867		Fixed Assets (WDV)	878	867	
1380	1295	1413		Capital Employed	1295	1413	
732	738	775		Debt	738	775	
11.88	10.49	11.89		ROCE (in %)	9.01	10.60	
8.96	10.05	11.28		ROE (in %)	5.21	7.62	

Financial Highlights Lighting Segment

(Rs cr.)

Quarter Ended					Year Ended		
Dec -17	Mar -17	Mar -18	Q4 (Y to Y)	Particulars	31.03.17	31.03.18	% Growth
338	358	399	11%	Revenue from Operations	1349	1395	10%
338	346	399	15%	Revenue (net of taxes)	1282	1383	8%
35	35	42	22%	PBIDT	137	138	1%
30	27	37	35%	PBDT	101	112	11%
25	22	31	43%	PBT	81	92	14%
17	15	18	22%	PAT	59	61	4%
372	394	409		Net Worth	394	409	
228	238	227		Fixed Assets (WDV)	238	227	
692	726	732		Capital Employed	726	732	
320	332	322		Debt	332	322	
17.34	16.53	19.67		ROCE (in %)	16.42	16.19	
18.28	15.23	17.56		ROE (in %)	15.81	15.57	

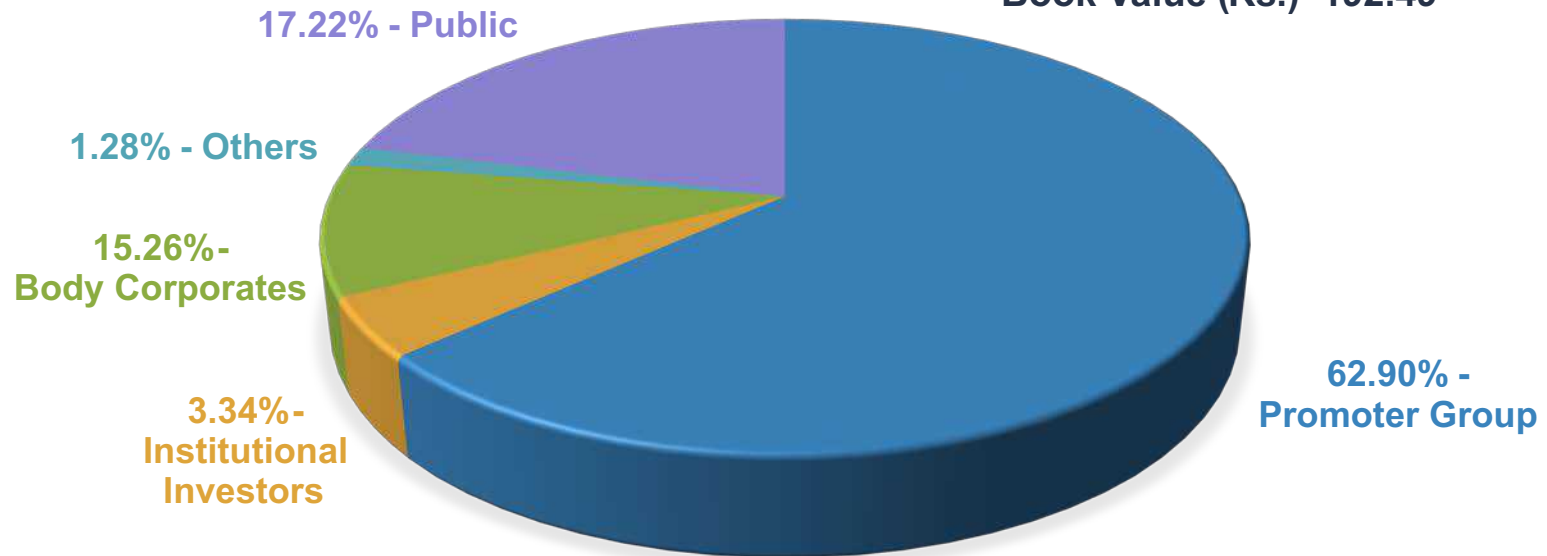
Financial Highlights

(Rs cr.)

Particular	2015	2016	2017 (Standalone)	2017 (Merged)	2018	CAGR
Revenue from Operations	3071	3197	3413	4181	5012	18%
Revenue (Net of taxes)	2857	2964	3145	3884	4931	20%
EBITDA	227	244	231	314	349	15%
Interest	109	96	88	113	105	
PBDT	118	148	143	201	243	27%
PBT	62	87	87	118	156	36%
PAT	54	63	66	86	108	26%
Earning Per Share (in Rs.)	12.34	14.40	15.11	15.86	19.86	
Net Worth	635	691	749	951	1047	
Net Debt	948	895	886	1,071	1,097	
ROCE	10.65%	11.58%	11.06%	11.68%	12.54%	
ROE	8.86%	9.61%	9.40%	9.63%	10.81%	
SGSTL (merged w.e.f. 1 st April 2016) has strengthen the overall performance.						

| Shareholding Pattern as at 31.03.2018

Total No. of Shareholders – 22760
Book Value (Rs.) 192.49



External Credit Rating :

- Long term A+ Short Term A1
- Commercial Paper A1+ (SO)

Bankers :

- State Bank of India
- HDFC, Canara, PNB, IDBI, DCB & BOB

| Chairman & Board of Directors



Shri J.P. Agarwal is the Executive Chairman of the company. Sh. Agarwal through his managerial skills has transformed a small steel unit into a Conglomerate that is recognized today as one of the most reputed, trusted and successful Steel Pipe & Strips & Lighting & Consumer Durables company of India. Sh. Agarwal is assisted by qualified and experienced Board of Directors.



Raju Bista, Managing Director – He has been the driving force for propelling the growth engine and yielding profitable results for the Company. Under his dynamic leadership, Company has successfully forayed into the fans and home appliances segment. His discipline, dedication, visionary power and relentless efforts has helped in achieving the holistic growth and development of the Company.



Urmil Agarwal, Director - Women director of the company, closely associated with her husband Shri J P Agarwal (Executive Chairman) in assisting him from last 40 years. She possess deep inside the industry which grows the company to new heights.



Vinay Surya - Whole-time Director of the Company possess vast experience of over 20 years in export and domestic marketing, commercial and operations. Mr. Vinay Surya has done an M.B.A. from Swinburn University, Australia.

| Chairman & Board of Directors



Shri Ravinder Kumar Narang an Independent Director of the Company who is the Ex Chairman of IOCL S S Khurana, is an Independent Director since 2014 who is an Ex-Chairman of Railway Board and Ex-officio Principal Secretary to Government of India with a vast experience of 40 years .



Sunil Sikka, a post graduate in Management (FMS Delhi) has been appointed as an Additional Independent Director. w.e.f 12th February, 2018. who has an illustrious career of 4 decades in which he served Havells and Bajaj Electricals at top positions. He has also been the president of ELCOMA. During his tenure, he led multiple initiatives to accelerate growth in marketing of consumer electrical and lighting in India



T.S. Bhattacharya, an Independent director of the Company since 2011, and an Ex- MD of SBI ihas an illustrious professional career of 44 years.



K.K. Narula, an industry veteran with more than 53 years of prolific experience in the field of Banking and Finance. He retired as Chief General Manager from SBI Chandigarh (LHO). Mr. Narula besides being an Independent Director is also the Chairman of the Audit and other Key Committees of the Company

| Board of Directors



S S Khurana, is an Independent Director since 2014 who is an Ex-Chairman of Railway Board and Ex-officio Principal Secretary to Government of India with a vast experience of 40 years .



S K Awasthi, Director – He possess rich experience of over 51 years of Banking. He is an Ex- General Manager of PNB and Ex- Managing Director of PNB Capital.



U.K. Mukhopadhyay, an Ex- IAS Officer is an Independent Director of the Company since 2014 having more than 38 years of experience in the Maharashtra Government, Central Government and World Bank. He was an M.D & CEO of Tata Housing development Company.



Shivani Singla, Director - She has a prolific career of 19 years includes hands on experience and in-depth knowledge in Project & Corporate Finance, SME Financing , Syndication across various Industries. She has done Masters in Management Studies from BITS, Pilani

| Key Managerial Personnel's (KMPs)



R. N. MALOO

Executive Director & Group CFO

A qualified CA having over 32 years varied experience in Corporate Affairs, Finance, Accounts, Audits, Commercial & Taxation. He held CFO positions in large corporates such as RSWM, Welspun Corporation, PDL and was also partner with M/s Kalani & Co, Jaipur.



TARUN BALDUA

CEO – Steel Operations

A qualified Chartered Accountant with 32 years of experience in Operations and Administration of Business. He has vast experience as head of various businesses across industries.



RAMANJIT SINGH

CEO – Lighting Operations

He has a rich experience of 31 years and served on the post of Sr. Director in Philips India before joining Surya. Being an effective leader he led multiple initiatives to accelerate innovation & growth in lighting industry.



B. B. SINGAL

Sr. Vice President & Company Secretary

He is a qualified CA, Company Secretary and Cost Accountant having a rich experience of over 23 years in Secretarial Function, Corporate Laws and direct tax.

Clients & Customers



INDIAN OIL CORP. LTD.



A Navratna Company



दिल्ली मेट्रो रेल कॉर्पोरेशन लिमिटेड
Delhi Metro Rail Corporation Limited



Thank You