



# SURYA ROSHNI LIMITED

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SRL/se/yks/24-25/09

August 09, 2024

**The Secretary**  
**The Stock Exchange, Mumbai**  
**MUMBAI - 400 001**  
**Scrip Code: 500336**

**The Manager (Listing Department)**  
**The National stock Exchange of India Ltd**  
**Mumbai – 400 051**  
**NSE Symbol: SURYAROSNI**

**Re.: PRESS RELEASE- SURYA ROSHNI LIMITED ANNOUNCES Q1 FY25 RESULTS**

Dear Sir,

This is with reference to our letter dated 1<sup>st</sup> August, 2024 intimating the date of the Board Meeting of Surya Roshni Limited, we wish to intimate the Outcome of Board Meeting held on 9<sup>th</sup> August, 2024, wherein the Company has approved the following:

- Unaudited Financial Results (Standalone and Consolidated) for the quarter ended 30<sup>th</sup> June, 2024 along with the Limited Review Reports from the Statutory Auditors, M/s. Ashok Kumar Goyal & Co. on the aforesaid Standalone and Consolidated Financial Results

In this regard please find attached the Press Release titled:

**PRESS RELEASE : SURYA ROSHNI LIMITED ANNOUNCES Q1 FY25 RESULTS**

The meeting commenced at 2.00 P.M. and concluded at ~~2.25~~ 2.25 P.M.

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 Q1 FY25 Results

- ✓ EBITDA increased by 36% YoY to ₹159 crore in Q1FY25
- ✓ EBITDA per ton for the Steel Pipe and Strips segment rose by 38% YoY to ₹6,065
- ✓ Fan business recorded a 43% volume growth in Q1FY25 due to strong market penetration
- ✓ Professional Lighting business saw a 18% growth driven by infrastructure projects
- ✓ Appliances segment witnessed a 15% volume growth in Q1FY25

**New Delhi, August 09, 2024:** 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 ended June 30, 2024.

### Consolidated Financial Performance Highlights

Particulars (In ₹ crore)	Q1 FY25	Q1 FY24	Change
Revenue	1,893	1,875	1%
EBITDA	159	116	36%
Profit Before Tax (PBT)	123	81	52%
Profit After Tax (PAT)	92	59	56%

- The company reported robust increase in EBITDA by 36% in Q1FY25 on account of sharp spurt in EBITDA/ton of our Steel Pipes & Strips business and steady uptick in operating performance of our Lighting and Consumer Durable segment
- EBITDA margins for Q1FY25 stood at 8.37% viz-a-viz 6.20% in the same quarter last year. This underscores our ability to optimize costs and improve profitability even in a challenging market environment
- Profit after tax stood at ₹ 92 crore recording a y-o-y growth of 56%
- We are a Zero-debt company and have cash surplus of ₹ 156 crore

### Lighting and Consumer Durables Segment Performance

Particulars (In ₹ crore)	Q1 FY25	Q1 FY24	Change
Revenue	385	374	3%
EBITDA	35	33	5%
EBITDA Margins	9.01%	8.83%	18 bps
PBT	26	26	-

- In spite of significant price erosion in consumer lighting business, we recorded a quarterly revenue growth of 3% and stands at ₹ 385crore in Q1FY25
- Robust volume growth, led by a better product mix in favour of higher margin value products and cost savings from backward integration driven by PLI, has led to a steady improvement in operating profitability
- EBITDA margins for Q1FY25 stood at 9.01% as against 8.83% for the same quarter last year
- Professional Lighting grew by 18% - driven by infrastructure as well as industrial projects
- Consumer lighting business witnessed double digit volume growth in most sub-categories
- The fan business has done exceedingly well in Q1FY25. It recorded a volume growth of 43%. Our margins in this business also witnessed improvement. The hot summer in India & launch of many products in previous quarter enabled us to increase our market penetration in this category
- Appliances segment witnessed volume growth of 15%

## Steel Pipe and Strips Segment Performance Highlights

Particulars (In ₹ crore)	Q1 FY25	Q1 FY24	Change
Revenue	1,509	1,503	-
EBITDA	124	83	49%
EBITDA/MT (₹)	6,065	4,388	38%
PBT	97	55	76%

- Despite the slowdown in government projects and operational delays due to general elections, we achieved a healthy 7% volume growth underpinned by better product mix.
- We were able to surpass the revenue mark that we have achieved in the same period last year in spite of price erosion in steel prices
- EBITDA/Ton for the quarter stood at ₹ 6,065, up by 38%, as compared to ₹ 4,388 the same quarter last year – this is on account of better product-mix
- Value-added products (API, Spiral & Galvanized pipes) constituted about 46% of our total revenue in Q1FY25
- **Strong in - hand order book of about ₹ 600 crore as on 30<sup>th</sup> June 2024** for Oil & Gas sector, Water Sector and Exports business

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

*"We are pleased to report a very healthy operating performance for Q1FY25, despite the slowdown on account of general elections. Our continuous focus on value-added products in the steel pipes segment and innovative offerings in the lighting & consumer durables division have been the key drivers of this growth."*

*EBITDA for Q1FY25 stood at ₹ 159 crore, up by 36%, as compared to ₹ 116 crore last year. The EBITDA margins improved by 217 basis points to 8.37% on account of significant improvement in operating profitability of steel pipes business and stability in the margins of lighting and consumer durable business. We registered 56% growth in PAT at ₹ 92 crore in Q1FY25 versus ₹ 59 crore in the same period last year."*

*"In Lighting and Consumer Durables, we exhibited a steady growth of 3% in Q1FY25. This performance reflects positive outcomes across various sub-segments. The EBITDA margin for Q1FY25 was recorded at 9%."*

*In professional lighting, we achieved a substantial growth of 18%, driven by strong performance in street lighting, industry lighting, and façade lighting. Although the consumer lighting business faced challenges due to ongoing price erosion, there was double-digit volume growth in most sub-categories. Despite short-term price deflation, the volume growth and introduction of value-added products are expected to ensure revenue and profitability growth in the lighting business."*

*The appliance segment witnessed a volume growth of 15%, with significant contributions from the induction cooktops and mixer grinders, particularly in semi-urban and rural markets. Fans business registered an impressive volume growth of 43%, supported by the hot summer season and the introduction of new products in Q4FY24. Enhanced market penetration and improved margins in the fans category further contributed to this growth."*

We anticipate a revenue growth of 12% to 15% for FY25, driven by aspiring consumers, government focus on infrastructure, and industrial capex. We also remain confident in achieving an EBITDA of ₹180 crore for FY25, focusing on high-margin products, cost management, and leveraging backward integration with Production Linked Incentive (PLI) benefits.

We are focusing on expanding our presence in semi-urban and rural areas, which have shown significant growth potential. While maintaining a strong presence in Tier 2 and Tier 3 cities, we also continue to strengthen our foothold in metro markets. We have tailored strategies for different tiers to promote high-margin products in strong markets and enhance distribution in areas with lower market share.

We anticipate that the lighting and consumer durables industry will maintain its growth trajectory. This growth will be fueled by the rising aspirations of consumers and increased government investment in infrastructure. Our robust presence in both B2C and B2B segments, coupled with our unwavering commitment to delivering top-notch, cutting-edge products, positions us favorably to seize these opportunities. We anticipate that our continued focus on technology and product development, as well as our strategic market expansions, will lead to consistent growth and profitability in the coming fiscal years.”

**“In the Steel Pipes and Strips**, the company achieved a 7% volume growth despite the slowdown in government projects and operational delays due to general elections. Revenue growth was muted due to erosion in the prices of hot-rolled steel coil (HR Coil), the primary input material. The average price of HR Coil dropped by ₹ 4,000 per ton compared to the same period last year.

EBITDA/ton for Q1FY25 witnessed a sharp increase of 38% to ₹ 6,065 as compared to ₹ 4,388 in the same quarter last year. This was aided by better product mix. Value-added products constituted about 46% of total revenue in Q1FY25.

There was a slowdown in the tendering process from government projects due to general elections, but the process has now picked up pace. The company expects robust growth in all the pipe segments in the coming quarters, supported by the Indian Government's thrust on infrastructure projects.

We have commenced trial runs for 8-inch pipe leading to capacity addition of 50,000 tons per year at the Bahadurgarh facility, with commercial operations set to start soon. Additionally, modernization of the cold rolling plant at Bahadurgarh is expected to commence operations Q3FY25. The spiral pipes plant at our Gwalior facility with an annual capacity of about 60,000 tons is on track and is expected to commence operations by the end of December 2024. The commencement of these operations will enable us to increase our production capacity by almost 12,000 to 15,000 tons per month – likely from last quarter of FY25.

The company has also started supplying 18-meter length pipes to Canada and initiated trials for yellow paint pipes for exports to France, which undergo a stringent salt spray test of 1,000 hours. However, geopolitical issues are expected to cause logistical disturbances, potentially impacting exports in Q2FY25.

The current domestic order book stands at about ₹ 600 crore. We anticipate a 12% to 15% volume growth in our steel pipes business for FY25. The company is on track to achieve its stated EBITDA guidance in the range of ₹ 500 to 525 crore for FY25, with EBITDA/ton expected to sustain at similar levels to what we achieved in Q1FY25.

*Our Steel Pipe and Strips business segment demonstrated resilience and adaptability in Q1FY25, achieving volume growth despite external challenges. The company's focus on value-added products, technological advancements, and strategic capacity expansion positions it well for robust future growth. The company's prudent approach to capex and modernization, along with a solid order book, reinforces confidence in achieving the projected financial and operational targets for FY25."*

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

*"In Lighting and Consumer Durables, we recorded a growth of 3% in Q1FY25. Almost all business segments registered double-digit volume growth. The gross margins expanded across most segments due to a better margin mix and effective cost management strategies. High-capacity utilization at our manufacturing plants, has positively impacted EBITDA through better operational efficiency.*

*There is a growing preference for energy-efficient, high-quality, and aesthetically pleasing products among consumers. To cater to this demand, we introduced higher wattage and more efficient Platina LED lamps, a range of downlighters (Shine Nxt), and new generation flood lights for consumer lighting applications.*

*We also launched energy-efficient and decorative ceiling and table pedestal wall fans, including star-labelled models. Increase in the number of distributors, particularly in the fan category, over the past year has significantly contributed to the impressive growth in this category in Q1FY25. We have also for the first time, started manufacturing of ventilation fans at our Kashipur facility. We also expanded into the induction cooktops and mixer grinders segment, with a special focus on high-performance commercial mixer grinders.*

*In professional lighting, we have started focusing on indoor lighting and solar lighting to capitalize on growth opportunities. We also launched higher performance streetlights, offering a smart value proposition with lower cost of ownership.*

*We have entered in new product segment of Mono Block Residential Pumps via launch of 'Surya Water Pumps' in the month of July 2024. The market size for such pumps is ₹ 1,000 crore and is growing fast driven by 'Har Ghar Nal Se Jal' scheme of Government of India.*

*Our comprehensive go-to-market (GTM) strategy includes leveraging existing distribution channels and exploring new avenues to reach consumers. We employ multiple GTM approaches to cater to different product categories, ensuring effective reach and penetration across various market segments.*

*We recognize the critical role that the in-shop experience plays in influencing consumer perceptions and driving sales. Over the quarters, we have intensified our efforts to enhance the in-shop experience across our retail outlets. We see it as a crucial component of our marketing strategy, contributing to the overall performance and growth of the company. Strategic display of our products at over 2,000 retail points ensures high visibility and availability of our offerings. We also have regular engagement exercises with retailers across different parts of the country to strengthen relationships and ensure product availability. These initiatives have already shown positive results, with marked improvements in customer satisfaction and increased sales.*

*We have also implemented significant training programs to ensure that all team members and staff can now provide deep product insights, demonstrations, and personalized suggestions, making every client engagement more informative and engaging. Our regular interactions with electricians and other influencers also enable us to drive brand loyalty and encourage product recommendations.*

*We are confident in our ability to navigate the obstacles and seize the opportunities that lie ahead. Our strategic efforts are linked with client needs, ensuring that we are well-positioned to continue growing and succeed in the lighting and consumer durables industry.”*

*“In the Steel Pipes and Strips, despite encountering external challenges, we achieved 7% volume growth in Q1FY25. Revenue growth was constrained due to erosion in steel prices on account of muted demand in the international arena – especially China. We expect these prices to remain at the similar levels for the remainder of FY25. Significant contribution from value-added products enabled us to improve our EBITDA/ton by 38% over the same period last year.*

*We anticipate strong growth across all our pipe segments in the coming quarters, supported by the Indian Government's significant infrastructure initiatives. Additionally, our new product registrations and brand approvals for various projects are progressing rapidly.*

*We became the only company in India capable of galvanizing pipes up to 30 inches. Also, we are the only company in India that have started undertaking food-grade epoxy coating on the inside for 4-inch pipes, positioning us uniquely in the market. Also, we have plans to increase the coating pipeline from 80 inches to 140 inches and undertaking in-house de-beading process for 2-to-2.5-inch size pipes at our Gujarat facility. These advancements will enhance our market position and enable us to undertake larger and more specialized projects.*

*The Government has given huge thrust to infrastructure projects, encompassing the construction of overbridges, new airports, and the redevelopment of railway stations. The design of these projects is anticipated to create a high demand for DFT pipes. In addition, the government has also given impetus to expand the city gas distribution (CGD) networks across India.*

*We are actively working to enhance our operational capacity in order to meet the expected market demand by increasing our monthly production by 12,000 to 15,000 tons. These expansions will greatly improve our capacity to meet the increasing demands of the market, specifically in the water infrastructure and energy sectors.*

*Given the stabilization of steel prices at current levels and the government's increased emphasis on infrastructure development, we anticipate robust demand for our product lines.*

*Our Q1FY25 performance underscores our resilience and strategic focus amidst external challenges. We remain dedicated to driving growth, expanding our capabilities, and maintaining our leadership in the market.”*

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

*“For the quarter, the revenue was ₹ 1,893 crore as compared to ₹ 1,875 crore. EBITDA and PAT stood at ₹ 159 crore and ₹ 92 crore as compared to ₹ 116 crore and ₹ 59 crore, registering a growth of 36% and 56% YoY respectively.*

*In Lighting & Consumer Durables, for the quarter, the revenue stood at ₹ 385 crore as against ₹ 374 crore. EBITDA and PBT stood at ₹ 35 crore and ₹ 26 crore, registering a growth of 5% and 1% YoY respectively.*

*In the Steel Pipes and Strips, during Q1FY25, the revenue was ₹ 1,509 crore as compared to ₹ 1,503 crore. Similarly, EBITDA/MT stood at ₹ 6,065 compared to ₹ 4,388, registering a growth of 38% YoY. EBITDA and PBT stood at ₹ 124 crore and ₹ 97 crore as against ₹ 83 crore and ₹ 55 crore, registering a growth of 49% and 76% YoY respectively.*

*Improved capacity utilization, working capital optimization and cost rationalization enabled us to become a zero-debt company, and having cash surplus of ₹ 156 crore in Q1FY25.*

*As on 30<sup>th</sup> June 2024, ROCE stood at 22.93% and ROE stood at 16.71%.*

*As on 30<sup>th</sup> June 2024, the net working capital days stood at 67 days, inventory days stood at 51 days, debtor days stood at 38 days and creditor days stood at 23 days."*

## 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) and Direct Forming Technology (DFT) in April 2022, 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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