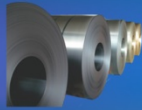


SURYA



Steel Pipes



CR Strips



Lighting



Fans



Home Appliances



SURYA ROSHNI LIMITED

Investor Presentation

December 2018

- 1 Company Overview
- 2 Steel Pipes & Strips
- 3 Lighting & Consumer Durables
- 4 Financial Highlights
- 5 Growth Drivers
- 6 Board of Directors & KMP's
- 7 Clients & Customers



The International Tube and Pipe Trade Fair,
Germany, April 2018



Light India 2018, New Delhi

- Established in 1973, **SURYA** spearheaded the technological revolution
- Evolved as one of the fully integrated Steel Pipes & Strips and Lighting & Consumer Durables conglomerate
- Strong Brand and wide spread Distribution Network
- # 1 in India for manufacturing of ERW GI Pipes
- Largest exporter of ERW Pipes.
- # 2 in India for Lighting products

50 +

Exports across countries globally

100 %

Backward integrated

5 years +

Association with over 50% of lighting distributors

2,500 +

Distributors

2,50,000

Retail/Dealer outlets

FY 2017-18

Rs 50,118 million, 20% YoY ↑

Revenues from operations

Rs 3,486 million, 11% YoY ↑

EBITDA

Rs 1,080 million, 25% YoY ↑

PAT

12.54%

ROCE

10.81%

ROE

EBITDA: Earnings before Interest Taxes Depreciation and Amortization

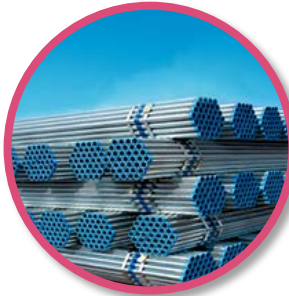
PAT: Profit After Taxes

ROCE: Returns of Capital Employed

ROE: Returns on Equity

Financial figures are as per the financial year ended 2017-18

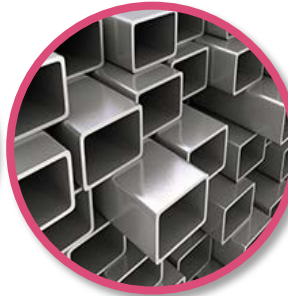
Steel Pipes & Strips Segment



GI Pipes



ERW – Black



Section Pipes



API & Spiral Pipes



Cold Rolled Strips

Lighting & Consumer Durable Segment



LED Lamps



LED Street Lights



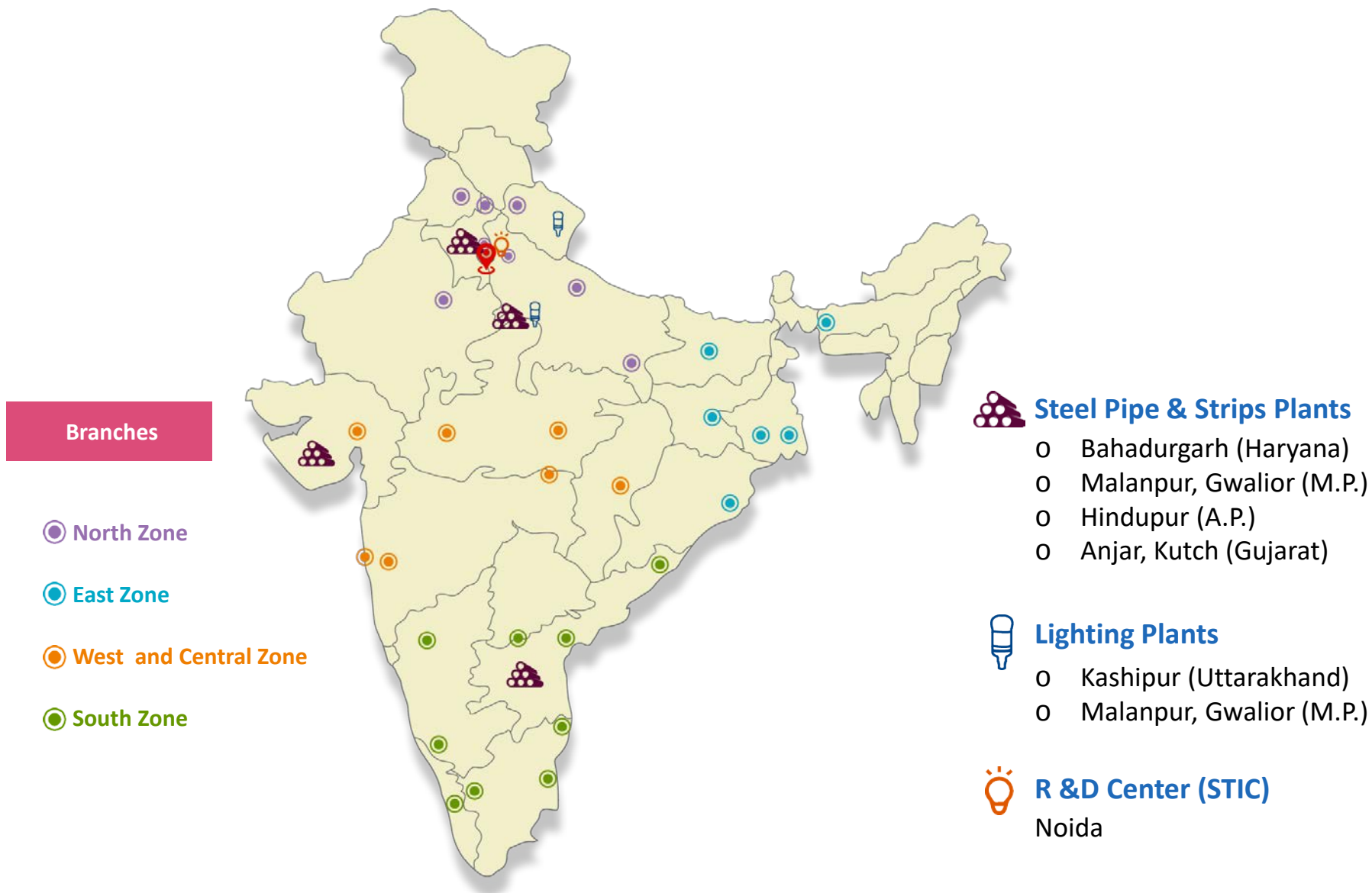
Conventional Lighting



Fans



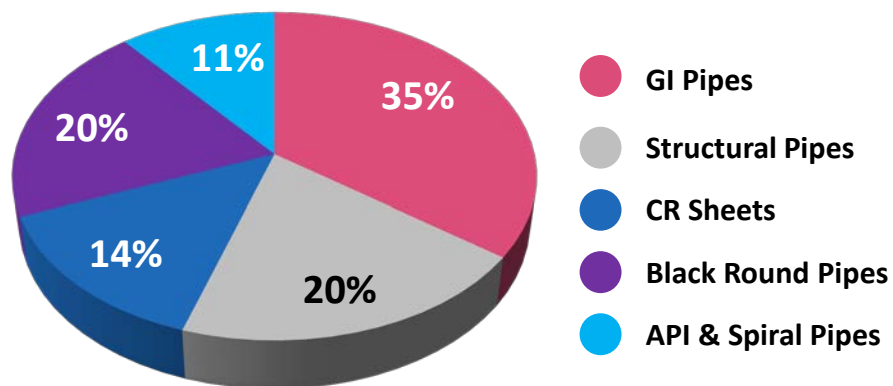
Home Appliances & Fittings



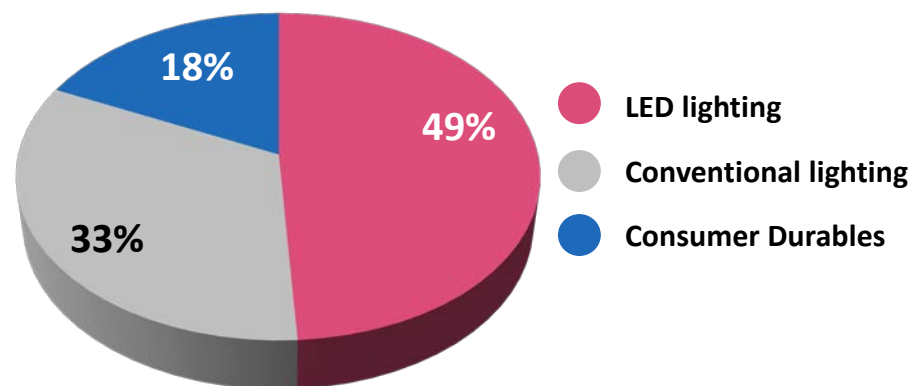
Revenue Split FY -2017-18

SURYA

Steel Pipes & Strips



Lighting & Consumer Durables



Particulars (Rs. in million)	Steel Pipes Segment	Lighting Segment	Total
Revenue	36,168	13,950	50,118
% Share	72%	28%	100%

Competitively Positioned

Steel Pipes & Strips Segment

PRAKASH
SURYA

Lighting & Consumer
Durable Segment

SURYA

Brand
Equity

Distribution
Network

Complete
Products
Range

Quality
Products

Manufacturing
Capabilities

Market
Friendly
Policies

SURYA



Steel Pipes & Strips

Extensive Applications

Steel Pipes & Strips Business – leading by quality

SURYA

Position and Brand	Company is the largest exporter of ERW Pipes and largest manufacturer of ERW GI pipes in India under Brand “PRAKASH SURYA”			
Particulars	2016-17		2017-18	
Turnover (Net of Taxes) (Rs. in million)	26,049		35,545 (CAGR 3 Year @ 14%)	
Value increase (in %)	13%		36%	
Volume Growth (in %)	7%		20%	
Plant Locations	Bahadurgarh (Haryana)	Gwalior (M.P.)	Anjar (Gujarat)	Hindupur (A.P)
Year of Establishment	1973	2010	2010	2017
Products	ERW Steel pipes (GI, Black, Hollow section), Spiral, API, 3LPE coated & CR sheets			
Exports	More than 50 countries (UAE, Australia, Egypt, EU, Canada, US etc.)			
Marketing Network	Over 250 Dealers and 21,000 Retailers (B2C - 70%)			
Raw materials Suppliers	SAIL, JSW, Hindustan Zinc, Tata Steel, Essar Steel			
	Posco, Angang, Sngang, Zaporzhstal, Hyundai, Benxi, Anchan			
Production Capacity	Particulars	Capacity (p.a)		
	ERW Pipes (including GI - 2,50,000 MT)	900,000 MT		
	Spiral (including offline – 1,40,000 MT)	200,000 MT		
	CR Sheets	115,000 MT		
	3 LPE Coating	External; 1,850,000 sq mtr, Internal; 1,100,000 sq. mtr.		



Steel Pipes

Cold Rolled

GI



Applications

- 💡 Irrigation, Agriculture
- 💡 Casing and tubing
- 💡 Hot Water/ Gas
- 💡 Plumbing, Water pipelines
- 💡 Green Houses
- 💡 Fire Fighting
- 💡 GP Pipes

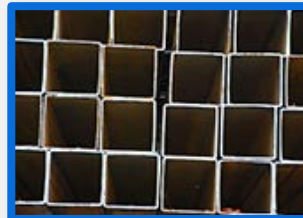
Black



Applications

- 💡 Construction Works
- 💡 Fabrication
- 💡 Fencing
- 💡 Powder Coating
- 💡 Sign Boards
- 💡 Industrial Application
- 💡 Scaffoldings

Hollow Section



Applications

- 💡 Engineering & Architectural Structures
- 💡 Airport, Metros, Railways
- 💡 Urban Development
- 💡 Electrical Poles/ Telecom Towers
- 💡 Solar Structure

API & 3 LPE Coated and Spiral Pipes



Applications

- 💡 Oil Pipelines
- 💡 Natural Gas
- 💡 Oil Well Casing
- 💡 City Gas Distribution
- 💡 Water Pipelines - Mains, Sewerage, Industrial water Lines and Plant Piping

CR Strips / Sheets



Applications

- 💡 Auto Components
- 💡 Motor Stamping
- 💡 Furniture and Fittings
- 💡 Domestic Appliances
- 💡 Drums and Barrels
- 💡 Cycle Rims
- 💡 Umbrella Tubes & Rips
- 💡 Engineering Applications

ERW and Spiral Manufacturing Unit

- Established in 2010, spread across 92 Acres to target export markets. Merged with company w.e.f April 2016
- Proximity to major Kandla and Mundra Ports gives strategic advantage in Exports and Imports
- Executing IOCL orders of API pipes of Rs. 314 crore, already completed Rs. 225 crore
- Executing City Gas Distribution pipelines orders of Rs. 97 crore

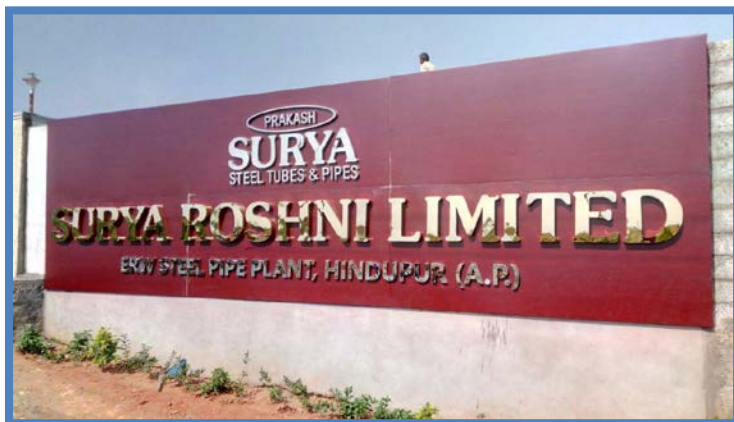


3LPE Coating Manufacturing Unit

- Commenced commercial production on November 5, 2018.
- Track record established, obtained accreditations, certifications of ISO 9001, 14001 & 18001
- Strengthen presence in Oil & Gas Sector and Large Dia Water pipe lines
- Higher capacity utilisation of the Spiral/API facilities
- Saving in coating cost, eligible for State Industrial Incentives



- 💡 Established in March, 2017 for ERW (GI, Black, Section) pipes. Strategic initiative in order to decentralize the manufacturing unit nearer to the market place, will work in such direction in future.
- 💡 Expanded capacities to 1,50,000 M.T in November 2017. Full benefits of the expanded capacities is yielding strong growth in the current financial year.
- 💡 Proximity to premium market of South India – savings in logistic cost.
- 💡 Eligible for Tax incentives under VAT / GST (for 7 years) and rebate in Electricity Charge (for 5 years) under A.P. State Policy



Strategically located facilities – Bahadurgarh (NCR-Delhi) and Gwalior (M.P.)

SURYA



Bahadurgarh (NCR – Delhi)

- 💡 ERW pipe plant established in 1973
- 💡 Cold rolled plant established in 1991
- 💡 Spread across 55 acres
- 💡 Manufactures ERW pipes (GI, Black, Section)
- 💡 Manufactures API Pipes and CR sheets.
- 💡 Serves NCR and North Indian market
- 💡 Close proximity to Metro Station and large residential city and 3 kms before KMP express highway, continuous thrust on efficiency and cost reduction



Gwalior (M.P)

- 💡 Established in 2010 for ERW pipes (GI, black section)
- 💡 Spread across 51 acres
- 💡 Centrally located, serving UP, MP, Rajasthan and Chhattisgarh markets
- 💡 Eligible for state industrial incentives upto 2025
- 💡 Ample Infrastructure facilities for future expansions

Demand drivers – robust future growth

- 💡 The NSP 2017 targets Steel capacities to 300 Million Metric Tonnes (MMT) by 2030 against present 128 MMT
- 💡 15% value addition made compulsory for projects above Rs. 50 crore for level playing
- 💡 City Gas projects, New Oil and Gas pipe lines, exploration of new gas fields and the Unified Gas pricing policy
- 💡 Infrastructure development, Affordable housing, Smart city and Urban development
- 💡 Water diversion from Rivers and Canals to the dry interior areas
- 💡 Demonetisation, GST and E-way Bills formalizing the economy.
- 💡 Export demand due to Infrastructure Development for Expo 2020 and FIFA World Cup 2022 in Qatar



Infrastructure



Housing



Urban



Railway



Agriculture



City Gas



Fire Fighting



Smart City

Surya with its strategic manufacturing plant locations, huge infrastructure and Pan India presence is well positioned to grab this opportunity



EXPO 2020, Dubai



Jewel of the Creek



Al Habtoor City

FIFA-2022, Qatar



Ras Abu Aboud Stadium



Lusail Iconic Stadium

SURYA



Lighting & Consumer Durables

Lighting & Consumer Durables Segment – leading by technology and Product innovation

SURYA

Position and Brand	2nd Largest in Lighting – Marketing under brand “SURYA”			
Particulars	2016-17		2017-18	
Turnover (Net of Taxes) (Rs. in million)	12,822		13,833 (CAGR 12%)	
LED Growth (%)	77%		45%	
Plant / R&D Locations	Kashipur (Uttarakhand)		Gwalior (M.P)	Noida NCR
Year of Establishment	1984		1992	2012
Products	Manufacturing of LED lights (Lamps, Street Lights, Down-lighters, Panels, Luminaires, etc.), Conventional lights (GLS, FTL, CFL, HID) and Fan & Home Appliances. Company ranked as 6th in the Fans Industry.			
Exports	To more then 40 Countries including Middle East and U.K (GE, Osram & Tungsrum)			
Marketing Network	Over 2,500 Dealers and 2,50,000 Countrywide Retailers on PAN India			
Raw materials Suppliers	Hindalco, Tata , Reliance, Nichia, Mitsui, Foshan Nationstar, Dongguan, Glass Bond, MLS.			
Production Capacity (Per annum)	LED Bulbs	LED Street Lights	LED Tubes & Fittings	GLS
	90 MN PCS	3.60 MN PCS	10 MN PCS	200 MN PCS

Offering vast range of Fast Moving Electrical Goods

SURYA

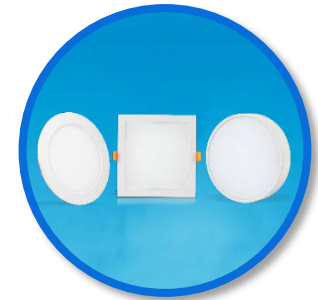
LEDs



Lamps



Street Lights



Down Lighters

Conventional Lighting



GLS

Consumer Durables



Fans



Home Appliances



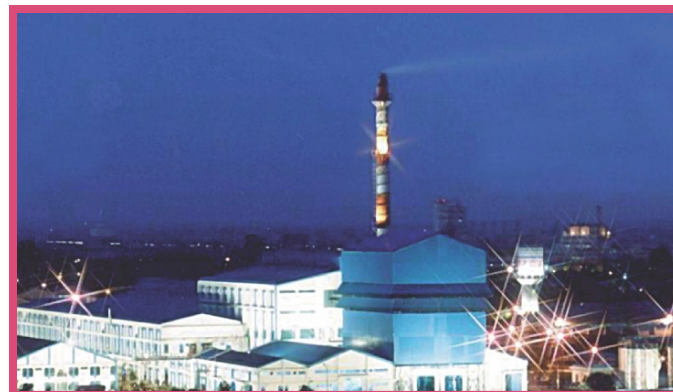
**PVC
(Pipes & Fittings)**

State-of-the-art manufacturing facilities – Kashipur (U.K.) and Gwalior (M.P)

SURYA



Kashipur



Gwalior

💡 Manufacturing LED lights (Lamps, Street Lights, Downlighters and fittings) & Conventional Lights (GLS, T5, HID Lamps), filaments, PCBs & Drivers

💡 Lighting Glass Plant for manufacturing of LED lights (lamps, street lights, decorative lighting) and conventional lights (GLS, CFL, FTL), Caps, PCBs, Drivers, etc.

R&D – To drive the change towards Smart Lighting
Surya Technology & Innovation Centre (STIC) - duly approved by DSIR and NABL at Noida was established in 2011 with focus on development of LED products.





The inevitable changes over the past 2 years

- 💡 Phasing out of CFL and FTL
- 💡 Exponential growth in LED Lighting
- 💡 Price correction in LED Lighting getting stabilize
- 💡 Number of light points per household increased

- 💡 India's 2nd largest lighting products company
- 💡 Completely backward integrated lighting company
- 💡 Cost effective and energy efficient products
- 💡 Launched Premium LED Lighting range of LED Bulbs, Down-lighters, Battens, Lamps, Street Lights, Flood Lights and decorative luminaires

80 %

Expected share of LEDs FY 20 (CAGR of 20%)

- Currently 6.20 million Street Lights have been replaced in which Surya contributed 1.52 million under SLNP by EESL; the Street Light segment is going to play a very important role in giving a very high surge to LED business in India
- Railways also started replacing lighting at platforms, staff quarters and trains with LED lights; similarly Airport Authority also installing LED Lighting in most off the Airport project



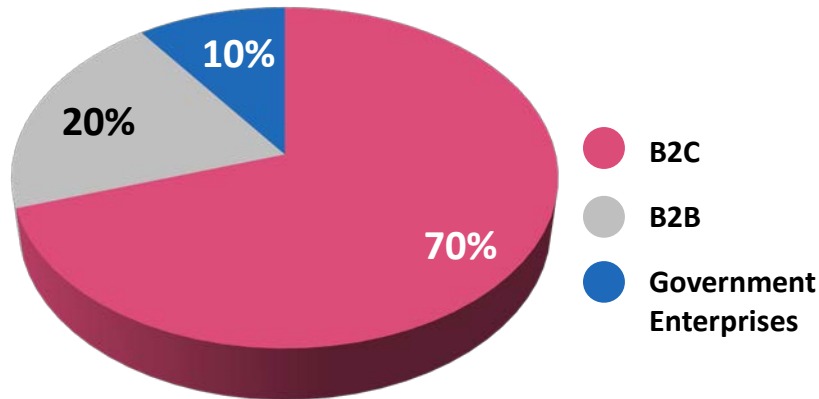
- 💡 Entered into the Fan business in FY 2014
- 💡 Gained No. 6 slot in the Fan market in a short span of time
- 💡 Provides wide categories of premium decorative and colourful range of ceiling, table, pedestal, wall mounting fans and exhaust fans
- 💡 Launched Anti Dust and other new designs of energy efficient fans



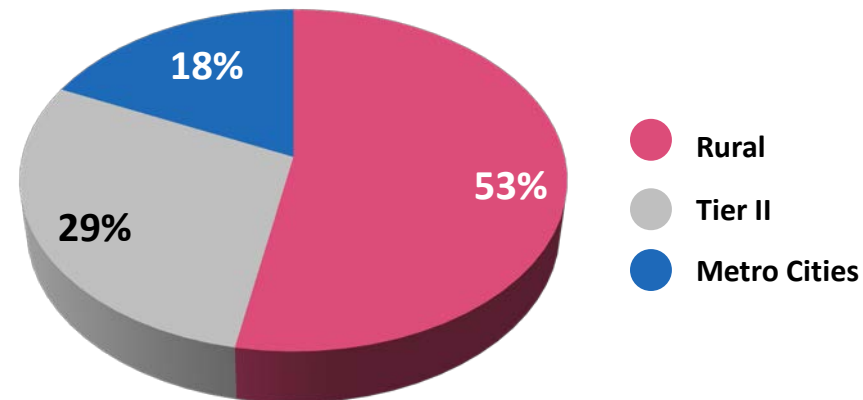
- 💡 Ventured into Domestic Kitchen Appliances business in FY 2015
- 💡 Provides feature rich, contemporary range of
 - Electrical Heating Appliances like, Water Heaters
 - Domestic Appliances like Room Heaters, Dry Irons, Steam Irons and
 - Immersion Heater
 - Kitchen Appliances
- 💡 Launched recently range of Glass cooktop

Distribution Strength – PAN India reach

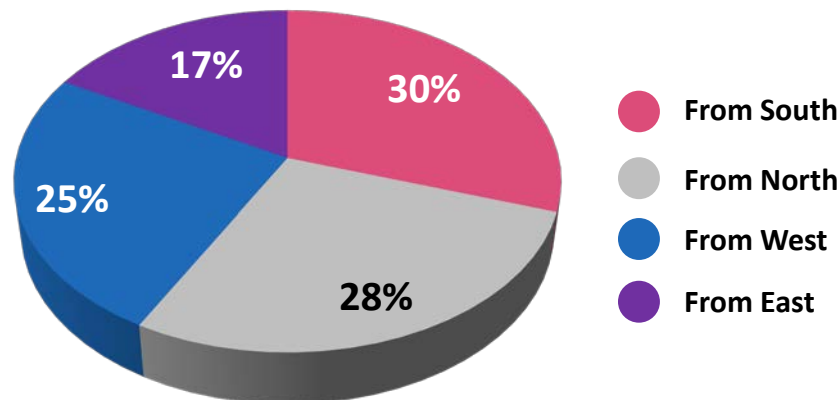
- 💡 Leader in various states such as AP, Telangana MP, Chhattisgarh, Uttar Pradesh and Jharkhand
- 💡 Second in Karnataka, Delhi, Maharashtra, Bihar, Rajasthan and Uttaranchal, among others



Revenue by Customers
FY18



Revenue by Marketing
FY18



Revenue by Region
FY18

1

Strong dealer relations (50% of B2C distributors have more than 5 years of association) due to transparent and attractive policies, schemes, incentives and foreign tours.

2

Strong trade network of 2,50,000 Retail Outlets supports scaling

3

Primary network is supported by a strong secondary sales network (300+ RTF & 2,500+ DSPs), which promotes effective communication with the market, engagement activities with electricians and architects

4

Complete product range, strong R&D and quality management teams to develop in-house solutions for specific micro markets and resolve issues timely.

5

Decentralised branch / depot network system helps in quick logistical movements, prompt delivery and customer feedback and satisfaction.

6

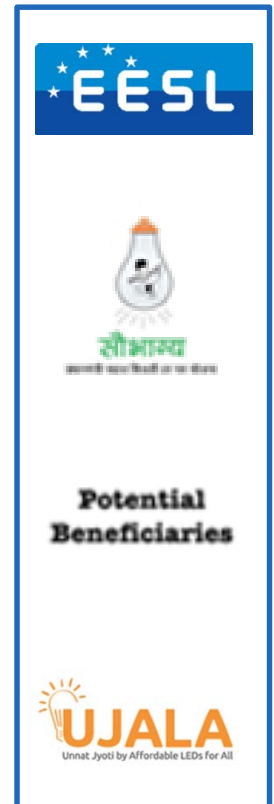
Increasing spent on advertising & publicity.

Growth factors:

- 💡 Market reach, Retail network and Brand Equity
- 💡 Increasing preference of luminaires against Lighting – multi-fold value-addition
- 💡 Futuristic Intelligent Lighting
- 💡 75% of organised market is dominated by 7 players including Surya
- 💡 Product basket with all types of Lighting and Electrical equipment

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

- 💡 Aims to change all the street lights to LED (approx. 14 Million) under SLNP and lighting of commercial buildings from conventional to LED's
- 💡 'Bijli Har Ghar Yojana' (Saubhagya) to electrify 40 million families in rural and Urban areas
- 💡 Affordable LED (770 million) for all through EESL (UJALA)



16 % CAGR

Lighting Industry
growth by 2020

Financials

Financial Highlights-Company as a whole

(INR in million)

Half Year Ended (Un-audited)			Particulars	Year Ended (Audited)		% Growth
Sept 17	Sept 18	% Growth		31.03.17	31.03.18	
22731	26653	17%	Revenue from Operations	41810	50118	20%
21925	26653	22%	Revenue (net of taxes)	38835	49312	27%
1526	1594	4%	EBITDA	3139	3486	11%
1009	1055	5%	PBDT	2012	2434	21%
577	624	8%	PBT	1176	1561	33%
400	457	14%	PAT	863	1080	25%
7.35	8.39	14%	EPS	15.86	19.86	25%
9898	10781	9%	Net Worth	9509	10473	10%
			Fixed Assets (WDV)	11163	10938	
			Capital Employed	20218	21447	
			Debt	10709	10974	
			ROCE (in %)	11.68	12.54	
			ROE (in %)	9.63	10.81	

Financial Highlights-Steel Pipes & Strips Segment

(INR in million)

Half Year Ended (Un-audited)			Particulars	Year Ended (Audited)		
Sept-17	Sept-18	% Growth		31.03.17	31.03.18	% Growth
16169	19943	23%	Revenue from Operations	28356	36234	28%
15481	19943	29%	Revenue (net of taxes)	26049	35545	36%
914	992	9%	EBITDA	1765	2102	18%
546	585	7%	PBDT	1001	1310	31%
216	263	22%	PBT	370	644	74%
140	168	20%	PAT	277	455	61%
6028	6606	10%	Net Worth	5566	6390	15%
			Fixed Assets (WDV)	8781	8669	
			Capital Employed	12959	14140	
			Debt	7393	7750	
			ROCE (in %)	9.01	10.60	
			ROE (in %)	5.21	7.62	

Financial Highlights-Lighting & Consumer Durables Segment

SURYA

(INR in million)

Half Year Ended (Un-audited)			Particulars	Year Ended (Audited)		
Sept-17	Sept-18	% Growth		31.03.17	31.03.18	% Growth
6580	6719	2%	Revenue from Operations	13491	13950	3%
6463	6719	4%	Revenue (net of taxes)	12822	13833	8%
612	602	(2%)	EBITDA	1374	1384	1%
463	470	2%	PBDT	1011	1124	11%
361	361	--	PBT	806	917	14%
260	289	11%	PAT	586	625	7%
3870	4175	8%	Net Worth	3943	4083	4%
			Fixed Assets (WDV)	2382	2269	
			Capital Employed	7259	7307	
			Debt	3316	3224	
			ROCE (in %)	16.42	16.19	
			ROE (in %)	15.81	15.57	

Financial Highlights – last 4 years

(INR in million)

	I GAAP	Ind - AS				
Particulars	2015	2016	2017	2017 (Merged)	2018	CAGR
Revenue from Operations	30708	31965	34128	41810	50118	18%
Revenue (Net of taxes)	28571	29642	31455	38835	49312	20%
EBITDA	2268	2442	2306	3139	3486	15%
Interest	1090	964	877	1127	1052	
PBDT	1178	1478	1429	2012	2434	27%
PBT	618	868	869	1176	1561	36%
PAT	541	631	662	863	1080	26%
Earning Per Share (in Rs.)	12.34	14.40	15.11	15.86	19.86	
Net Worth	6350	6915	7494	9509	10473	
Net Debt	9476	8950	8861	10709	10974	
ROCE	10.65%	11.58%	11.06%	11.68%	12.54%	
ROE	8.86%	9.61%	9.40%	9.63%	10.81%	
Credit Rating	A-	A-	A	A+	A+	

Professionalism

Product
Development

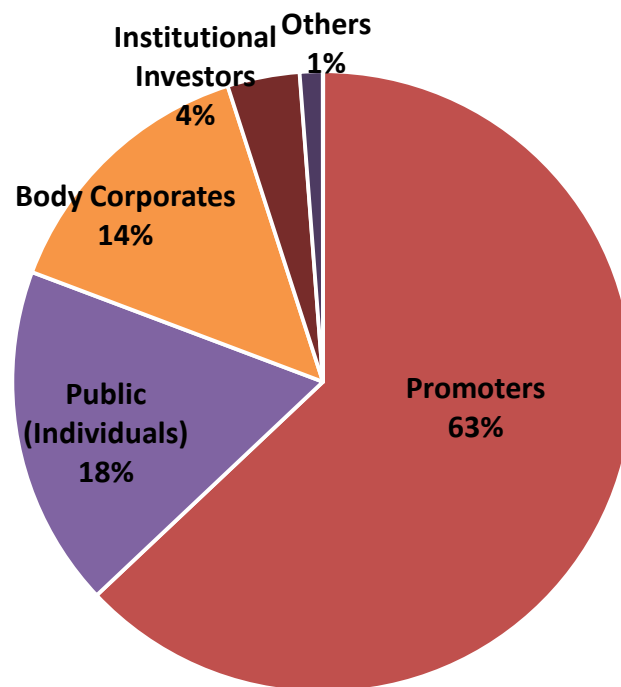
Productivity
and Perfection

Promotions

Performance
Evaluation

Payback

Profitable
Growth



Total No. of Shareholders – 23092

Bankers :
SBI, HDFC, BOB, CANARA, PNB,
IDBI, DCB & EXIM

- 💡 Constant thrust on Value added and Quality products in both the divisions
- 💡 The commencement of commercial production of **3LPE coating pipes** unit will provide higher capacity utilization for API and Spiral pipes.
- 💡 Maximize utilization of existing manufacturing facilities, operational efficiency by modernization, de-bottlenecking and adopting state-of-the-art technology and Capex rationalisation
- 💡 Increasing spent on advertisement and publicity; Increase reach in metros and launching of premium categories of quality products
- 💡 Move up the value chain by penetration in LED Street Light, Batten, Down Lighters, other LED Fitting, new applications and target niche opportunities in Smart Lighting
- 💡 Strengthen engagements with marquee customers through accreditation, improvement on cost effective product mix and delivery on time. Project approvals across product categories
- 💡 To grab opportunities arisen by demonetization, GST and E-Way Bills
- 💡 Strengthen capital efficiency through channel financing arrangement for dealers (without recourse), Working Capital Management and thrust on ROCE and ROE improvement



Shri J.P. Agarwal is an Executive Chairman of the Company. Sh. Agarwal through his skills & driving force have created Surya as one of the most reputed, trusted and successful Company having two business verticals viz. Steel Pipe & Strips and Lighting & Consumer Durables .



Raju Bista, Managing Director – Aged about 32 years & an MBA has been the growth engine which yielded profitable growth 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 overall development of the Company. He is also the President of ELCOMA.



Urmil Agarwal, Director - Woman director of the Company, having sound business acumen & understanding of both the businesses of the Company.



Vinay Surya - Whole-time Director of the Company possess vast experience of over 20 years in Marketing, Export, Commercial, Financial & Operational field. He has done an M.B.A. from Swinburn University, Australia.



T.S. Bhattacharya, an Ex-MD of SBI has an illustrious professional career of 44 years.



S K Awasthi - Ex-Managing Director of PNB Capital.



Shri Ravinder Kumar Narang - Ex-Chairman of IOCL with vast experience in the field of Operations, Project Development & Marketing Network.



S S Khurana - Ex-Chairman of Railway Board and Ex-officio Principal Secretary to Government of India.



K.K. Narula - Ex-Chief General Manager from SBI Chandigarh (LHO). He is also the Chairman of the Audit Committee.



Shivani Singla, working as GM at IDBI Bank Limited and has done her Masters Management Studies from BITS, Pilani



Sunil Sikka, a post graduate in Management (FMS Delhi) and an Ex-President of Havells (India) Limited & ELCOMA. During his tenure, he led multiple initiatives to accelerate growth in marketing of consumer electrical and lighting in India



Kaustubh N Karmarkar Whole time Director, with vast experience of over 20 years in the field of Management & Human Resources and Planning

Key Managerial Personnel's (KMPs)

SURYA



R.N. Maloo
Executive Director
& Group CFO

A qualified CA with 32 years experience in Corporate Affairs, Finance, Commercial & Taxation. He held CFO positions at RSWM, PDL, Welspun Corporation etc. and also in CA practice as partner with M/s Kalani & Co, Jaipur.



Tarun Baldua
CEO – Steel
Operations

A qualified Chartered Accountant with 32 years of experience in Commercial, Operations and Administration of various businesses across industries.



Ramanjit Singh
CEO – Lighting
Operations

A qualified MBA-operation with 31 years of experience in Operational and served on the post of Sr. Director at Philips India. He led multiple initiatives to accelerate innovation & growth in lighting industry.



B.B. Singal
Sr. V. P.
& Company
Secretary

A qualified CA, Company Secretary and Cost Accountant having a rich experience of over 23 years in Secretarial Function, Corporate Laws, Accounts, Direct Tax & Investor Relationship.

Clients & Customers

SURYA



INDIAN OIL CORP. LTD.



Shell



A Navratna Company



दिल्ली मेट्रो रेल कॉर्पोरेशन लिमि
Delhi Metro Rail Corporation Ltd



INDRAPRASTHA
GAS LIMITED



GAIL (India) Limited



Marubeni



LARSEN & TOUBRO



ADANI



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Thank You

Surya Roshni Limited

Regd. Office

Prakash Nagar, Sankhol Bahadurgarh Distt. Jhajjar, Haryana: 124 507

CIN: L31501HR1973PLC007543

Corporate Office

Padma Tower - 1, Rajendra Place, New Delhi - 110008 (INDIA)

Ph: +91-11 47108000

Fax no: +91-11 25789560

Website

www.surya.co.in

Contact Detail

Sushil Singhal: +91 9871179555

Tarun Goel: +91 9810248348