

SURYA



**ACTIVE PRESENT.
FUTURE POSITIVE.**

SURYA ROSHNI LIMITED
ANNUAL REPORT 2018-19

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Standalone	107
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Investor information

Market capitalisation

as on March 31, 2019 : ₹ 1,372 crore

BSE Code : 500336

NSE Symbol : SURYAROSNI

Dividend for 2018-19 : ₹ 2 per Equity Share

AGM Date : 4th September, 2019

AGM Venue : Regd. Office:
Prakash Nagar, Sankhol,
Bahadurgarh-124507
(Haryana)

For online version of this annual report,
visit:

www.surya.co.in/annual-report/

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Forward looking statement: This report contains forward-looking statements about the business, financial performance, skills and prospects of the Company. Statements about the plans, intentions, expectations, beliefs, estimates, predictions or similar expressions for future are forward-looking statements. Forward-looking statements should be viewed in the context of many risk issues and events that could cause the actual performance to be different from that contemplated in the Directors' Report and Management Discussions and Analysis Report, including but not limited to, the impact of changes in oil, steel prices worldwide, technological obsolescence and domestic, economic and political conditions. We cannot assure that outcome of this forward-looking statements will be realised. The Company disclaims any duty to update the information given in the aforesaid reports.



Surya Roshni is actively leveraging its current competencies and expanding the bandwidth of its capabilities for a brighter and positive future opportunities.

Key performance indicators of 2018-19

₹ 5,975 crore, +21%
Revenue

₹ 121 crore, +12%
Profit After Tax (PAT)

Active Present

Surya Roshni has actively captured the potential of the upcoming opportunities. It has developed an appetite to absorb the industrial potential by actively investing in fresh capacities, product innovation, marketing & distribution activities, brand promotions, geographical expansions and developing & retaining world class talent pool. It has also successfully pursued the transition from conventional products and introduced new product lines that actively captures the trends of today and needs of the future.

Future Positive

The Government's strong vision of building a new, strong and self-reliant India shall drive several industrial opportunities. This augurs well for a future positive demand for Surya Roshni's products. Consider the following developments:

Oil & Gas

Strong capex by several hydrocarbon majors for developing cross country pipeline for Oil & Gas transportation.

City Gas Distribution

Robust investments in developing the downstream City Gas Distribution.

Water Transportation

Ambitious initiatives like 'Har Ghar Nal ka Jal' as well as River Interlinking Projects, Sewerage Water Treatment, Industrial Water Lines and Boring Water Transportation in Agricultural Fields will witness sustained investments in water transportation pipelines.

Infrastructure

Government's push for 'Housing for All', 'Make In India', Smart Cities, coupled with Railways and Airport modernisation initiatives.

LED Lighting

Government's push to transform conventional light bulbs to energy-efficient lighting through its ambitious programs. It aims to distribute LED's to the rural India and has ambitious plans of replacing street lights with energy-efficient LED lamps.

Consumer Durables

Rising disposable income with easy access to credit across both urban and rural India.

The operating and financial information provided in this annual report reflects Surya Roshni's active participation and commitment to create a strong foundation for future growth.





Surya Roshni installed high power street lights and flood lights luminaires for the entire 'Kumbh Mela' 2018

Surya Roshni Limited: A future-ready organisation

SIX things you should know about the Company

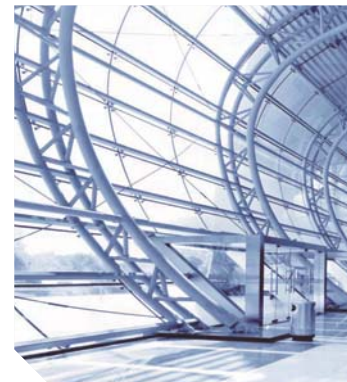


1 Core businesses with leading industry position

Lighting & consumer durables segment: Engaged in manufacturing and business of energy-efficient LED lights, conventional lighting, LED luminaries, fans, home appliances and PVC products.

Steel pipes & strips segment: ERW Steel Pipes (Galvanized (GI), Black, Hollow Section), API Pipes, Spiral, GP Pipes and CR sheets.

India's largest exporter and producer of GI pipes and second largest company in lighting products.



#1

GI Pipes manufacturer and exporter in India

#2

Lighting company in India

100%

Backward integrated



2 Evolution

Amidst the journey from a subtle beginning to spearheading the technological revolution in the 21st century, Surya Roshni has exceedingly come a long way from being just another steel tube making unit back in 1973. Since then it has been consistently developing range of steel tubes and pipes needed to cater to the demands of some of the important sectors like agriculture, infrastructure, fire fighting, oil & gas and construction, among others.

In 1984, Surya Roshni ventured into lighting operations and seamlessly transitioned from being one of the leaders of conventional lamp manufacturer to one of the leading LED brand in the lighting industry.

In 2014-15, Surya Roshni strategically forayed into related products like fans and home appliances with range of quality and smart offerings at affordable price points.

Today, the Surya Group has emerged into a colossal of ₹ 5,975 crore (US\$ 850 million) Indian manufacturing company, exporting products to over 50 countries globally. It has gained strong market reputation with best-in-class quality offerings across the businesses.

50+

Exports presence across countries

₹ 5,975 crore

Group turnover



PRAKASH
SURYA SURYA
Energising Lifestyles
STEEL TUBES & PIPES

3 Brands

Both the brands – 'Prakash Surya' and 'Surya' – are ranked as one of the most respected and trusted brands for steel pipes and lighting products in India and globally.

Over the years, the Company has manifested a strong brand image and developed a larger mind share amongst the customers. It is also recognised as one of the most trusted and preferred brands with various Government departments, institutions and international buyers.

40 years+

Brand equity

5 years+

Associations with over 50% of lighting distributors



4 Infrastructure

The Company has state-of-the-art manufacturing facilities across the states of Haryana, Madhya Pradesh, Andhra Pradesh, Gujarat and Uttarakhand. Besides, it also has an advanced lighting research and development centre (R&D), Surya Technology & Innovation Centre (STIC) at Noida (NCR).

6

Manufacturing facilities

Steel Pipes and Strips Segment

Anjar, Gujarat

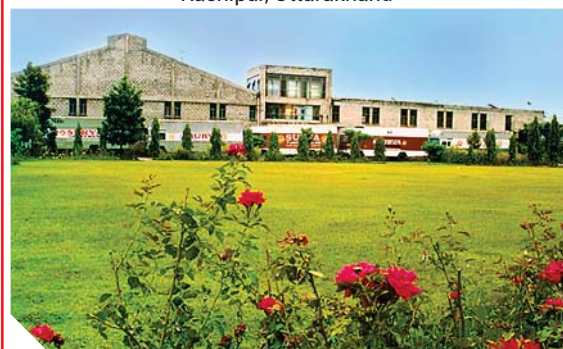


Hindupur, Andhra Pradesh



Lighting Segment

Kashipur, Uttarakhand



Bahadurgarh, NCR-Delhi



Gwalior, Madhya Pradesh



Gwalior, Madhya Pradesh



5 PAN India presence with extensive distribution network

Strong distribution network of over 2,500 distributors and 2,50,000 retailers countrywide for lighting and consumer durables and network of 2,500 distributors for Steel Pipes and Strips segment.



Surya Roshni outlet at the Light India Exhibition at New Delhi

82%+

Revenues from non-metro for Lighting and Consumer Durables

70%+

Revenues from B2C in the Steel Pipes and Strips Segment



THE ECONOMIC TIMES
CHAMPIONS
OF
RURAL MARKETS



Mr. Raju Bista, the Managing Director of Surya Roshni receiving the 'Champions of Rural Market' award by the prestigious newspaper The Economic Times



6 Approvals, certifications and recognitions

Surya Roshni's steel pipe products for oil & gas sector are approved by the reputed API (American Petroleum Institute). Besides that, the Company is also certified with ISO 9001:2015, ISO 14001:2015 & OHSAS 18001:2007 certifications while the products that are accredited with an international performance of safety standards. The Company is committed to deliver eco-friendly and quality products.

The Company has recently been awarded with 'Brand Excellence Award in Lighting Category' in North India Best Brand Awards, 2018. It was also awarded with 'Champions of Rural Market' award by the prestigious newspaper The Economic Times.

SURYA



Vision

Committed towards a better tomorrow

To be the largest global enterprise which delivers optimised solutions to its consumers and value to its stakeholders. To provide the best steel pipe, lighting & electrical products and technology for markets across the world.



Mission

Energising lives and beyond

To be a global leader by consistently exceeding the consumer demands, upgrading technology, making quality products, building long-term relationships with all our customers, partners, associates and employees.



Core Values



Surya Parivar

Principle-centric, close-knit family, trust, mutual respect and team spirit.



Integrity

Moral principles, undivided spirit reflects in personal lives, financial transactions and business deals.



Social Responsibility

Eco-friendly products, optimised resources to conserve the environment.



Customer Satisfaction

Customers - Guiding Stars for future endeavours and improvements.

Our Business Model

At Surya Roshni, our business model is centred around the key value-creation capitals. These include:

INPUTS

FINANCIAL CAPITAL

Comprises funding inputs required to meet the daily operational requirements to keep our business going.

- ▶ Equity: ₹ 1,151.86 crore
- ▶ Debt: ₹ 1,189.89 crore

MANUFACTURING CAPITAL

Comprises investments made towards building capacities across the manufacturing facilities.

Steel pipes and strips Capacities (MT p.a)

ERW Pipes (including GI of 2,50,000 MT)	9,00,000
Spiral (including offline capacities of 1,40,000 MT)	2,00,000
CR Sheets	115,000
3 LPE Coated Pipes External: 1,850,000 sq mtr. Internal: 1,100,000 sq. mtr.	

Lighting Capacities (Million Pieces p.a)

LED Bulbs	90
LED Streetlights	3.60
LED Tubes and Fittings	10
GLS	200

TECHNOLOGY CAPITAL

Comprises investments made towards equipping the facilities with modern machineries, technological upgrades as well innovation and R&D activities.

- ▶ Investments made in technological upgrades/R&D: ₹ 3.17 crore

HUMAN CAPITAL

Comprises investments made for the people on the board by way of training and development; also includes investments on new recruits during the year.

- ▶ No of people on board: 3,539

RELATIONSHIP CAPITAL

Comprises investments made towards strengthening relationship with the distributors and dealers/retailers.

NATURAL AND SOCIAL CAPITAL

Comprises investments towards conserving natural resources as well as promoting community well-being in the areas of health, skill development and education (through Surya Foundation).

- ▶ Spent on CSR: ₹ 2.57 crore

VALUE-ENABLERS

STRONG CORPORATE

VALUE-CREATION STRATEGIES

- ▶ Offering diversified product portfolio across the two distinct businesses. These products find its applications across the areas having strong future growth potential.

Lighting & Consumer Durables

- Range of LED lightings for consumers (trade)
- Range of lighting series for Luminaire Business Group (LBG)
- Fans
- Range of Home Appliances
- PVC Pipes

Steel Pipes & Strips

- ERW Steel Pipes (Galvanized (GI), Black, Hollow Section)
- API and Spiral Pipes
- CR Sheets / Strips
- ▶ Strengthening dealer and distribution network
- ▶ Promoting brand capital for a stronger customer recall
- ▶ Concentrating on adding new product lines and fresh capacities to address the upcoming markets opportunities
- ▶ Developing strong foothold in the organised segment
- ▶ Leveraging shift from convention products to smart lighting
- ▶ Practicing strong fiscal prudence
- ▶ Driving profitability through focus on value-added products, plant efficiencies, control on overheads, rejections and reprocessing

VISION AND VALUES