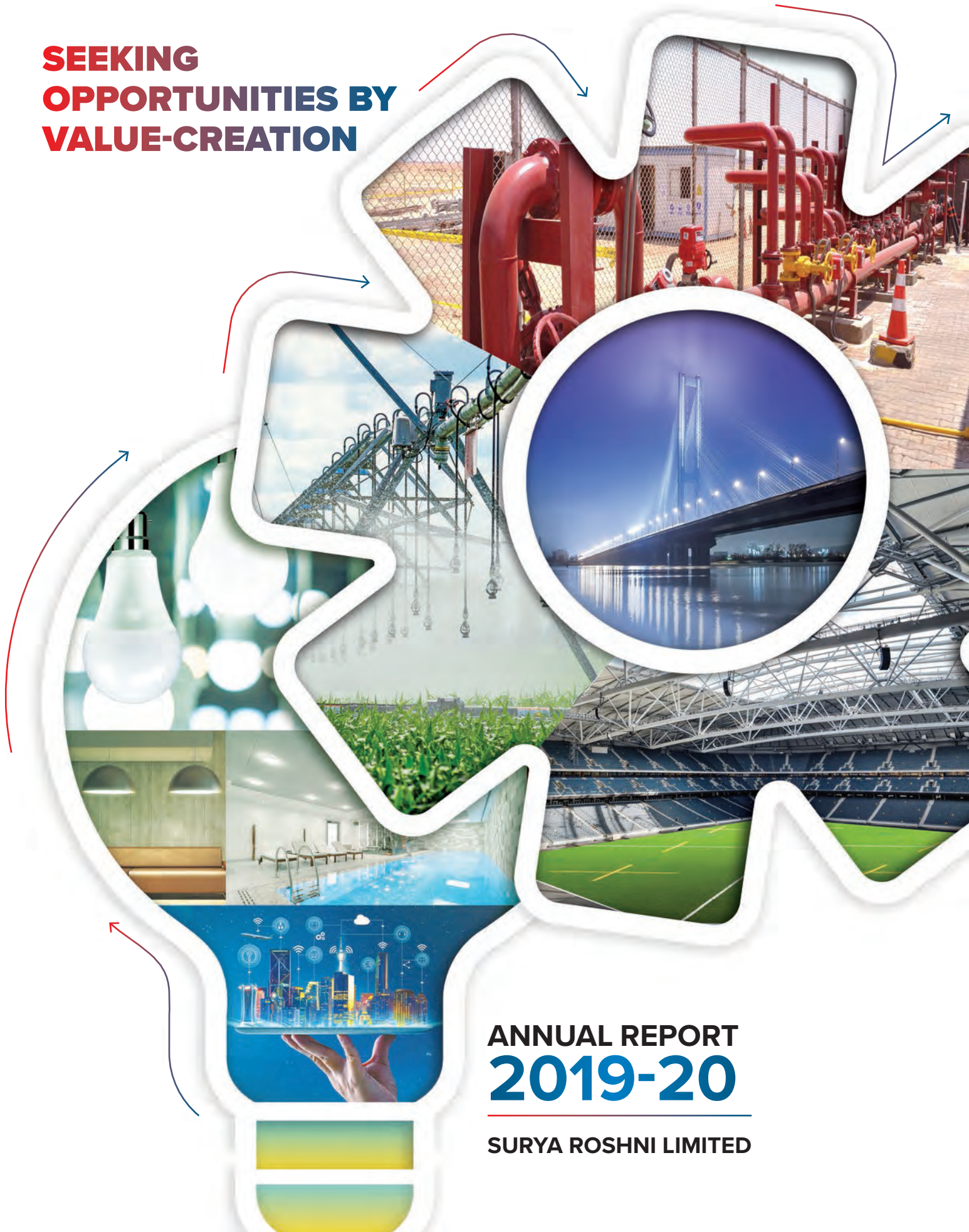


# SURYA

**SEEKING  
OPPORTUNITIES BY  
VALUE-CREATION**



**ANNUAL REPORT  
2019-20**

**SURYA ROSHNI LIMITED**

# Table of Contents

## Corporate Overview

➤ How Are We Consistently Creating Value?	02
➤ COVID-19: Impact And Response	04
➤ Surya Roshni Limited: Evolving From Strength to Strength	06
➤ Product Mix To Meet The Demands Of Tomorrow	10
➤ Value-Creation Route Map	16
➤ Presence Across India And The World	18
➤ Milestones Of Success	19
➤ Financial Performance	20
➤ Chairman's Message	22
➤ From The MD's Desk	24
➤ Board Of Directors	26
➤ Key Managerial Personnel	28
➤ Enabling People, Businesses And Society To Innovate And Drive A Positive Change	29
➤ Corporate Information	31

## Statutory Reports

➤ Management Discussion and Analysis	32
➤ Board's Report	50
➤ Corporate Governance Report	83
➤ Business Responsibility Report	100

## Financial Statements

➤ Standalone	113
➤ Consolidated	160

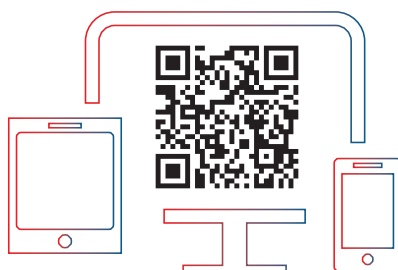
## Investor Information

➤ BSE Code	: 500336
➤ NSE Symbol	: SURYAROSNI
➤ Bloomberg Code	: SYR:IN
➤ Dividend for 2019-20	: ₹ 2 per share
➤ AGM Date	: September 23, 2020
➤ AGM Mode	: Video Conferencing (VC) and Other Audio Visual Means (OAVM)

For online version of this annual report, please visit:

<https://surya.co.in/annual-report>

Or simply scan:



**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 these forward-looking statements will be realised. The Company disclaims any duty to update the information given in the aforesaid reports.



The economic scenario all over the world is at the cusp of a major transformation.

In an increasingly complex world, Surya Roshni Limited is maintaining its course and has created an extraordinarily solid foundation for the future. Over the past few years, the Company has actively scripted a successful growth story, reflecting the robustness of its corporate strategy and a fundamentally solid business model. The focus and foresightedness has further enabled the Company to relentlessly seek opportunities across its end-user industries by consistent value-creation.



## How Are We Consistently Creating Values?



The large part of the year witnessed economic headwinds owing to slowing consumption and investment patterns. In the last quarter of 2019-20, the world was impacted by the outbreak of COVID-19 pandemic, directly affecting most of the businesses, excepting essential supplies.

However, Surya Roshni Limited's (hereafter 'Surya Roshini' or 'The Company') proactive strategies have led to some encouraging outcomes even in unparalleled times.

### Values-created across Businesses

#### Steel Pipes & Strips

- Strengthened contribution from the value-added product portfolio – GI and API Pipes
- Increased focus on exports
- Added new customers across key segments and geographies
- Achieved optimum capacity utilisations across all the units
- Implemented cost efficiencies and overhead rationalisation drive across units

#### Lighting & Consumer Durables

- Consolidated capacities for achieving scale and cost efficiencies
- Innovated continually through R&D and developed range of LEDs, façade and solar lighting products to meet the emerging demands
- Strengthened market reach through strong promotions
- Generated strong operating cash flows





## Values-created through strong financial prudence

### Focus areas:

Debt reduction

Cost efficiencies

Improving asset utilisation for better operating cash flows

Working capital management

Improvement in ROCE and EBITDA Margins

### Debt reduction

**₹ 101 crore**

Reduction in funded debts

**₹ 55 crore**

Reduction in creditors

### Prepayment of term loans

**₹ 61 crore**

### Strengthening ratios

**0.88**

Debt equity

**3.05**

Debt to EBITDA

**1.89**

Debt service coverage ratio

### Lower finance cost

**Less than 7%**

Competitive finance cost

Long-Term Credit Rating

**'A+'**

Short-Term Credit Rating

**'A1'**

Commercial Paper

**'A1+'**

# **COVID-19:** **Impact And Response**

Change and crisis usually give birth to hidden and unexplored opportunities. They induce you to reroute your approach and rethink better solutions. They help you identify new areas of growth and bring forward new concept of adapting new practices.

At Surya Roshni, we ensured business continuity with a positive intent. This allowed us to remain on track as we pursued future opportunities.





## Being proactive and positive



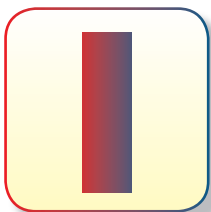
### Cost Proficient



### Overheads Rationalisation



### Value-added Products



### Information Technology



### Demand Creation



## Action areas

- Raw material procurement
- Capex rationalisation
- Better product mix

- Energy conservation
- Finance cost
- Transportation
- Efficient manpower cost
- Administrative overheads
- Publicity and sales promotion

- Tailor-made niche products for better margins
- Enlarging value-added product basket with continued focus on GI, API Pipes and Exports
- Drive innovation at the R&D facility and deliver ahead-of-its-time products
- Customer delight through best-in-class service standards

- Strengthening operations, systems and interaction with the channel partners and dealers through enhanced usage of IT platforms
- Minimum travelling and maximum safety
- Physical interaction and trainings are replaced with applications like Google Meets, Webex and MS Teams, among others

- Explore new markets and geographies
- Add new customers
- Market mapping to explore newer application areas



## Health and safety measures

We implemented several health and safety measures to ensure that people across our offices and facilities remained healthy by following the safety SOPs and protocols specified by the Government. These included:

- Work from home facility to avoid commuting
- Adequate sanitisation and safety checks at the facilities post lockdowns
- Promoted naturopathy

The outcome of these measures not only ensured health and safety of the employees, but also led to increase in morale and productivity owing to better work life balance and saving time and cost of commuting.

# Surya Roshni Limited: Evolving From Strength To Strength

Surya Roshni has successfully evolved across its over four-decade-rich journey. Since inception in 1973, the Company has transformed into an organisation that has developed its stronghold into the **Steel Pipes & Strips** and **Lighting & Consumer Durables** segment.

The beginning...

**1973**

Year of establishment as a  
Steel Pipe manufacturer



### The evolution...

₹ **5,471 crore+**

Conglomerate

**45 years+**

Brand equity

### The presence...

**50+**

Exports presence across  
countries globally

**2,50,000+**

Countrywide retailers

**2,500**

Countrywide distributors

### The diversification...

**1984**

Forayed into Lighting Operations

**2010**

Forayed into PVC

**2014-15**

Forayed into Consumer Durables like  
fans and home appliances

### The leadership...

**#1**

GI Pipes manufacturer and  
ERW Pipes exporter

**#2**

Lighting company

# The Recognition



The Company's Promoter & Executive Chairman, Shri Jai Prakash Agarwal, was conferred with **Padma Shree** Award for his distinguished services in the field of Trade and Industry by the Government of India

Bestowed with the Brand Excellence Award in Lighting Category in North India at the India Best Brand Awards 2018



THE ECONOMIC TIMES  
**CHAMPIONS**  
OF  
RURAL MARKETS

Awarded with The Economic Times Champions of Rural Markets-2018 Award for the Brand presence and successful work done in the rural markets of India.



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

