



SURYA

*Solid core.
Sustained growth.*

Annual Report
2022-23

Surya Roshni Limited





Across the Pages

02-47

Corporate Overview

02	A Quick Read on Surya Roshni Limited
06	Business Model
10	The Growth Journey
12	Our Businesses
24	Chairman's Message
28	In Conversation with the Managing Directors
30	Board of Directors
32	Key Performance Indicators
34	Stakeholders Engagement
36	Environment
38	Workforce
39	Corporate Social Responsibility
45	Governance
46	Key Managerial Personnel
47	Corporate Information

48-180

Statutory Reports

48	Management Discussion and Analysis
71	Board's Report
104	Corporate Governance Report
126	Business Responsibility & Sustainability Report

181-300

Financial Statements

181	Standalone
242	Consolidated

Or simply scan:



For online version of this annual report, visit:

https://surya.co.in/wp-content/uploads/2023/08/Annual-Report_2022-23.pdf

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 the 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 Discussion 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.

Maintaining Our Solid Foundation of Financial Performance in 2022-23

3% ^

₹ 7,997 crore

REVENUES

38% ^

₹ 620 crore

EBITDA

64% ^

₹ 336 crore

PROFIT AFTER TAX

20% ^

₹ 1,863.59 crore

NET WORTH

670 bps ^

22.9%

ROCE

560 bps ^

19.7%

ROE

^ Growth in 2022-23 over 2021-22

Investor Information

Market Capitalisation as on 31 st March, 2023	₹ 3,579.57 crore
BSE Code	500336
NSE Symbol	SURYAROSNI
Bloomberg Code	SYR:IN
Dividend Declared	₹ 7 Per Share (including the Interim Dividend of ₹ 3 Per Share)

Building on Our Solid Foundation

We continue to build resilience and grow our business sustainably to create long-term value for all stakeholders.

WE ARE...

...a growing business

We are consistently growing in sales which underlines the solid demand for our products. Our revenues continue to grow despite the difficult global backdrop. We remain steadfast in our ongoing focus on premiumisation, cutting-edge and trendy product launches, aggressive marketing campaigns, and geographical expansion.

...creating capacities for the future

We successfully commissioned our new large-diameter section pipe facility at Gwalior, utilising Direct Forming Technology (DFT) in 2022-23. This has allowed us to increase our production capacity by 36,000 MTPA across new product categories. Additionally, we are currently in the process of setting up an expansion project in Hindupur, Andhra Pradesh, with an investment of ₹ 75 crore to manufacture GP and CR coils/pipe. Further, we are setting up an ERW pipe mill for large-dia pipes with an investment of ₹ 75 crore. This investment is aimed at adding a proposed capacity of 1,00,000 metric tonnes per annum at the Anjar plant in Gujarat.

...built to remain agile and resilient

We maintained leadership in the traditional channel of distributors, building new kinds of value-accretive businesses for strong revenues and profitability. Our global footprint and robust, multisite, cost-efficient

manufacturing, along with strong and long-lasting relationships with our customers enable us to be agile and resilient.

...maintaining a prudent mix

We are driving strategic value creation by reinforcing the market leadership position and driving change through investment in value-added products. We are de-risking our business through a consistent balance between B2B and B2C areas.

...a company with strong financial position

We have a strong balance sheet and continuing high cash conversion. Our debt-equity reduced to 0.22x as on 31st March, 2023 compared to 0.37x as on 31st March, 2022. We enjoy lower leverage, healthy financial ratios, reaffirmed credit ratings, strong working capital management, and lower finance cost. These are some of the encouraging indicators of our robust financial management.

...focussed on creating sustainable value

We are creating sustainable value by investing in our people, prioritising our customers, strengthening our supply chain, growing our product portfolio, and maintaining a strong cash position. We proactively engage with our stakeholders to understand and factor-in their interests and expectations in our business decision-making process to create enduring value.

REINFORCING OUR SOLID CORE

#1

MANUFACTURER AND
EXPORTER OF GI PIPES

Largest

EXPORTER OF
ERW PIPES

Leading

API PIPE
MANUFACTURER

Among Top 3

BLACK PIPES
MANUFACTURER

One of the Top Leading

CONSUMER LIGHTING MANUFACTURING
BRANDS IN INDIA

One of the Largest

RURAL-BASED DISTRIBUTION
NETWORK IN INDIA FOR LIGHTING
AND CONSUMER DURABLE

CORPORATE IDENTITY

Nurturing a Solid Core for Sustained Growth

Incorporated in 1973, Surya Roshni Limited (hereafter referred to as 'Surya Roshni' or 'Our Company' or 'We') has grown from strength to strength to become one of India's largest Steel Pipes and Lighting company. We are one of the largest conglomerates in India, and export to several countries around the world. The 'Prakash Surya' and 'Surya' brands stand for quality, innovation, and the latest technology.

We started with the manufacturing of steel tubes and later, diversified into lighting in 1984, PVC pipes in 2010 and consumer durables like fans and home appliances in 2014-15. We possess a strong pan-India presence in the rural and semi-urban areas through our extensive dealer network across both our businesses.

We stand tall on our commitment to deliver quality systems and environmental issues. This is further enabled by our ISO 9001:2008, ISO 14001:2004, and OHSAS 18001:2007 certifications and products that are accredited with international performance of safety standards. We are also known for being one of the most trusted and registered brands with various government departments, institutions, and international buyers.

45+

YEARS OF ROBUST
EXPERIENCE

6

MANUFACTURING
FACILITIES

50+

COUNTRIES
EXPORTED

3,310

EMPLOYEE BASE ON
PAYROLL



OUR 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 & consumer durable products, and technology for markets across the world.



OUR 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.



OUR VALUE PILLARS



Customer Satisfaction

Passion towards customer satisfaction through exceptional products and services.



Social Responsibility

Help mother nature in contributing to the economic development through eco-friendly products, while improving the quality of life of the work force as well as of the local community and society at large.



Integrity

Adhering to moral principles, we share an undivided spirit. This integrity is a virtue that is reflected in our personal lives, financial transactions, and business deals.



Surya Parivar

A principle-centric, close-knit family which stands high on the pillars of trust, team spirit and mutual respect.

OUR BUSINESS IN 2022-23

Revenue

₹ 6,452 crore

STEEL PIPES AND STRIPS

₹ 1,545 crore

LIGHTING AND CONSUMER DURABLES

Segmental Sales

81%

STEEL PIPES AND STRIPS

19%

LIGHTING AND CONSUMER DURABLES

Segmental EBITDA

80%

STEEL PIPES AND STRIPS

20%

LIGHTING AND CONSUMER DURABLES

OUR BRANDS

Our Steel Pipes and Strips are sold under the brand name 'Prakash Surya' and lighting products are sold under the brand name 'Surya'. Both brands stand for quality, innovation, and the latest technology.



BUSINESS MODEL

Powering Our Value Creation Capability

At Surya Roshni, our business model seeks to create value for all stakeholders by improving our profitability and cash flow to deliver sustainable returns.

INPUTS



Financial Capital

Our key financial resources include equity, internal accruals, and debt. Our strong balance sheet is the foundation that drives our growth strategies and enables us to create exceptional value for our stakeholders.

₹ 1,864 crore

Equity

₹ 404 crore

Debt



Manufacturing Capital

Our world-class manufacturing facilities, along with the infrastructure that supports our logistics, warehousing, and sales enable us to deliver quality offerings to the market. Besides, we invest in best-in-class technologies to enhance the quality of our products and increase efficiency of our operations.

4

Steel pipes and strips facilities

2

Lighting facilities



Intellectual Capital

We have a dedicated R&D centre called the Surya Technology & Innovation Centre in Noida. The Centre drives innovation to achieve operational efficiencies as well as enable new product development.



Distribution Capital

We have a robust distribution network (including trade network and retail outlets) and decentralised depot networks. This ensures smooth movement of logistics, prompt delivery, and customer satisfaction, aptly supported by strong marketing and publicity initiatives.

21,000+

Steel pipes and strips pan-India dealers/retailers

250+

Steel pipes and strips distributors

2,50,000+

Lighting and consumer durables retail outlets



Human Capital

Our workforce is our main value creator, driving growth through expertise, knowledge, and performance excellence. Over the years, we have developed a holistic employee value proposition which has enabled us to attract and retain top talent, and operate in a high-performing culture.

3,310

Employee base



Social and Relationship Capital

We have a multi-stakeholder approach and believe that time-tested relationships play a key role in enhancing long-term stakeholder value. Thus, we factor-in the interests of all our stakeholders while devising our business growth strategy.

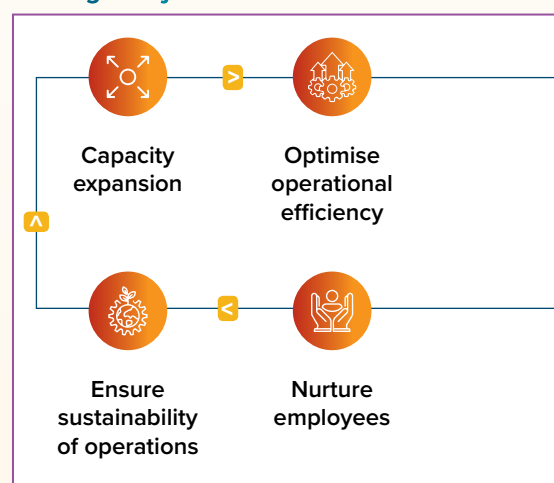


Natural Capital

Our operations rely on natural resources, and we recognise the impact of our business on ecosystems. We believe in conserving natural resources and focus on utilising them in an optimal manner. Our investments towards usage of renewables is testimony to our commitment towards the environment.

VALUE DRIVERS

Strategic Objectives



Strategic Imperatives



Manufacturing Facilities

- ▶ Strategic investment in technology upgradation
- ▶ Strategic locations
- ▶ Strengthening backward integration through PLI



Distribution Network

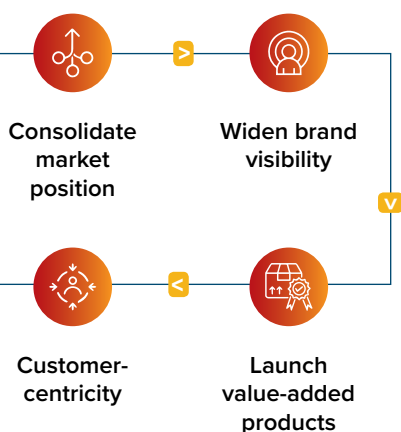
- ▶ Enhanced engagement
- ▶ Consistent policies, effective schemes
- ▶ Omni-channel presence



Brand Equity

- ▶ Brand building through consistent advertising
- ▶ ATL and BTL activities

OUTCOMES



Product Range

- ▶ Strong product portfolio
- ▶ Value-added products driving higher profitability



SCALABILITY

DIVERSIFICATION

SUSTAINED GROWTH AND IMPROVED PROFITABILITY



STEEL TUBES AND PIPES

- ▶ In 2022-23, our Company reported a revenue of ₹ 6,452 crore, a slight increase from ₹ 6,402 crore in 2021-22
- ▶ Our steel pipes trade business grew by 19%, spiral pipe by 8%, and API exports by an impressive 211% in 2022-23

- ▶ The total orders booked at the end of 2022-23 exceeded ₹ 850 crore
- ▶ Our EBITDA/MT for 2022-23 improved to ₹ 6,496 from ₹ 4,648 YoY, on account of favourable product mix of value-added products and exports
- ▶ We launched a 30" galvanised pipe in India and a 2" 5CT pipe for exports
- ▶ We remain committed to exporting value-added products and expanding our geographical footprint
- ▶ Our expansion project at Hindupur is proceeding as scheduled
- ▶ We are setting up an ERW pipe mill for manufacturing 18" to 24" large-dia pipes at our existing facilities with a capex of ₹ 75 crore



LIGHTING AND CONSUMER DURABLES

- ▶ In 2022-23, our LED lighting business saw a robust revenue growth of 27%, due to strong sales in both B2C and B2B segments
- ▶ Our consumer lighting business experienced a 12%

- revenue increase with an emphasis on higher growth for value-added products
- ▶ The professional lighting segment witnessed a significant YoY revenue growth of 38% due to strong order inflow
- ▶ The addition of new products led to a YoY revenue growth of 25% in the home appliances business
- ▶ The cost of LED lighting bulb replacement continued to decrease, falling from 678 bps to 457 bps
- ▶ There has been a remarkable growth in new-age smart LED products
- ▶ We intensified our advertising and marketing activities to enhance market share and brand visibility
- ▶ We also undertook increased dealer and distributor engagement through various initiatives

OUR OPERATIONS

Sustaining Growth with Solid Presence

We have six state-of-the-art manufacturing facilities across India in Haryana, Madhya Pradesh, Andhra Pradesh, Gujarat, and Uttarakhand. We have an advanced lighting research and development centre (R&D) called the Surya Technology & Innovation Centre (STIC) at Noida (NCR).

STEEL PIPES AND STRIPS SEGMENT

PRAKASH
SURYA
STEEL TUBES & PIPES



Anjar, Gujarat



Bahadurgarh,
NCR-Delhi



Hindupur,
Andhra Pradesh



Gwalior, Madhya
Pradesh

LIGHTING SEGMENT

SURYA
Energising Lifestyles



Kashipur,
Uttarakhand



Gwalior, Madhya
Pradesh