



SURYA ROSHNI LIMITED

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SRL/se/yks/25-26/25

November 18, 2025

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

Sub: Transcript of Earnings Call (Group Meet) for the Quarter ended
30th September, 2025

Dear Sir,

This is with reference to the Company intimation dated 3rd November, 2025 filed with the stock exchanges in terms of Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 regarding the earning conference call (Group meet) to discuss the Unaudited financial results and operational performance for the quarter ended 30th September, 2025 scheduled for Tuesday, 11th November, 2025 at 4:00 P.M (IST).

Further to the audio recording filed with the stock exchanges already on 11th November, 2025, we are enclosing the Transcript of the said Earnings Call (Group Meet).

The same is also being uploaded on the website of the Company at www.surya.co.in under Financials in the Investor section.

This is for your information and records.

Thanking you,

Yours faithfully
For Surya Roshni Limited

B B SINGAL
CFO & COMPANY SECRETARY

Enclosed: as above



**“Surya Roshni Limited
Q2 FY’26 Earnings Conference Call”**

November 11, 2025

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 11th November 2025 will prevail.



**MANAGEMENT: MR. RAJU BISTA – MANAGING DIRECTOR
MR. VINAY SURYA – MANAGING DIRECTOR
MR. B. B SINGHAL – CFO AND CS
MR. GAURAV JAIN – CEO, STEEL OPERATIONS
MR. VASUMITRA PANDEY – CEO, LIGHTING &
CONSUMER DURABLES
MR. NARESH SINGHAL – ED, STEEL OPERATIONS**

Moderator: Ladies and gentlemen, good day and welcome to Surya Roshni Limited Q2 FY'26 Earnings Conference Call.

This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in listen-only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing “*” then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Raju Bista – Managing Director of Surya Roshni Limited. Please go ahead.

Raju Bista: Thank you very much. Good evening, everyone. On behalf of Surya Roshni Limited, I extend a very warm welcome to everyone for joining us today.

On this call, we are joined by my colleague Mr. Vinay Surya ji – MD, Surya Roshni Limited and Mr. B. B Singhal – CFO and Company Secretary, Mr. Gaurav Jain – CEO of Steel Operations, Mr. Vasumitra Pandey – CEO for Lighting and Consumer Durable Segment, also Mr. Naresh Singhal, who is our Executive Director for Steel Operations and SGA – our Investor Relations Advisor.

Moving on to the overall financial performance of the company:

In Q2 FY'26, our consolidated revenue grew 21% year-on-year to INR 1,845 crores, while EBITDA rose to 69% to INR 141 crores, with margin improving to 7.6%. PAT is more than doubled, rising 117% year-on-year to INR 74 crores, driven mainly by better realization, product mix and operating leverage.

Our Steel Pipe and Strip business reported about 24% revenue growth year-on-year, led by strong exports and higher share of value-added products. Exports business went up by 45%, helping us achieve the highest ever Q2 volumes in the company's history. EBITDA more than doubled to INR 102 crores and profitability per ton improved by 73% year-on-year to INR 5,013 per ton.

The Lighting and Consumer Durable business continued to deliver steady growth with revenue up by 10% year-on-year to INR 434 crores, supported by festive demand and double-digit volume growth in LED lamps, batten and street light segments. Margin expanded to about 9% from 7.7% in Q1, reflecting better mix efficiency gains and cost control.

We are a zero-debt company with a net cash surplus of INR 250 crores (read Rs. 246 Crores) as of September 30, 2025. The Board of Directors has also declared an interim dividend of INR 2.5 per share, reflecting our continued commitment to shareholder value creation.

Coming to Lighting and Consumer Durable in Q1 FY'26:

Our Lighting and Consumer Durable segment delivered a healthy performance, growing 10% year-on-year, supported by improved festive season demand and healthy contribution for both lighting and durable segment.

EBITDA margin expanded sharply to 9% from 7.7% in Q1, reflecting better operating leverage, superior product mix and disciplined cost management despite continued pricing pressure in few LED categories.

The Professional Lighting business also maintained its strong momentum, growing by 25% in Q2 FY'26, mainly driven by healthy demand across solar, facade, industrial and outdoor lighting segments. The order book remained robust at over INR 150 crores for lighting, providing good visibility for the coming quarter as well.

We remain confident of achieving our full year's guidance for the Lighting and Consumer Durable business - a top-line in the range of INR 1,900 crores and EBITDA of INR 180 crores.

Looking ahead, our focus will remain on driving innovation, expanding our product portfolio, deepening on our distribution and exploring new avenues of growth in adjacent areas such as renewable energy.

Moving on to the Steel Pipe and Strip segment.

In Q2 FY'26 our Steel Pipe and Strip segment delivered a strong performance, marked by a healthy rebound in volumes and a significant improvement in profitability, despite overall challenging operating environment.

Revenue for the quarter grew by 24% year-on-year to INR 1,411 crores, mainly driven by a 26% increase in overall volumes and a richer product mix. EBITDA for the quarter more than doubled year-on-year to about INR 102 crores, with margins expanding sharply on the back of better realization, disciplined pricing and improved operating leverage. On a per ton basis, EBITDA stood at INR 5,013, representing a 73% year-on-year increase and a 72% improvement by Q1.

Despite some pressure from falling steel price, in July our inventory was efficiently managed and the notional inventory loss of INR 500 per ton was largely offset through higher operating efficiencies and realization.

We achieved the highest ever second quarter volumes in the company's history of Steel segment. From an operational standpoint, capacity utilization stood at 80% during the quarter.

Our export performance was particularly strong, recording a 45% growth in volume and a 29% increase in value terms year-on-year basis.

Within product categories, API Pipes grew by nearly 86% year-on-year, supported by robust demand from mainly private oil and gas players, while Cold Rolling Strips segment continued to perform well following the commissioning of new Bahadurgarh mill. However, demand from GI pipes, which largely catered to the agriculture segment, was impacted by the extended monsoon and delays in government fund releases, particularly to state agencies, which slowed rural and infrastructure project execution.

We also maintained a healthy book of around INR 750 crores, comprising order from oil and gas segment, water and export segment, providing strong visibility for the second half of the year. With a solid order book, operational efficiencies and new capacities coming on stream, we are well positioned to sustain performance improvement in coming months as well. Accordingly, we have prudently recalibrated our full year volume guidance to around 10 lakh tons, reflecting a balanced outlook grounded in realistic near-terms demand trends and the visibility of strong execution in the second half.

Now, I would like to request our CFO – Mr. B. B Singhal to share his thoughts on some financial numbers. Thank you.

B. B Singhal:

Thank you respected MD sir and a very good afternoon to all the participants on the call.

In the quarter, the revenue was INR 1,845 crores as compared to INR 1,529 crores, a growth of 21% year-on-year basis. EBITDA and PAT stood at INR 141 crores and INR 74 crores as compared to INR 83 crores and INR 34 crores, a growth of 69% and 117% year-on-year basis, respectively. For, the first half FY'26, the revenue was INR 3,450 crores as compared to INR 3,422 crores. EBITDA and PAT stood at INR 223 crores and INR 108 crores as compared to INR 242 crores and INR 127 crores, respectively.

In Lighting and Consumer Durability, for the quarter, the revenue stood at INR 434 crores as against INR 395 crores, a growth of 10% year-on-year basis. EBITDA and PBT stood at INR 39 crores and INR 29 crores, a growth of 10% and 11% year-on-year basis, respectively. For H1 FY'26, the revenue stood at INR 832 crores as against INR 781 crores, a growth of 7% year-on-year basis. EBITDA and PBT stood at INR 70 crores and INR 51 crores as compared to INR 70 crores and INR 52 crores, respectively.

In the Steel, Pipes and Strips, during Q2 FY'26, the revenue was INR 1,411 crores as compared to INR 1,135 crores, a growth of 24% year-on-year basis. Similarly, EBITDA/MT stood at INR 5013 as compared to INR 2901, a growth of 73% year-on-year basis. EBITDA and PBT stood at INR 102 crores and INR 70 crores as against INR 48 crores and INR 20 crores, a growth of 113% and 258% year-on-year basis, respectively. For H1 FY'26, the revenue was INR 2,618 crores as compared to INR 2,643 crores. Similarly, EBITDA/MT stood at INR 4,037 as

compared to INR 4,653. EBITDA and PBT stood at INR 154 crores and INR 95 crores as against INR 172 crores and INR 117 crores, respectively.

Improved capacity utilization, working capital optimization and cost rationalization enabled us to become a zero-debt company and having a cash surplus fund of INR 246 crores in H1 FY'26. In Q2 FY'26, our net working capital cycle was 63 days with a ROCE of 16.46% and ROE of 11.90%.

With this, I conclude the presentation, and we can now open the floor for further questions and answers. Thank you.

Moderator: Thank you. We will now begin the question-and-answer session. The first question is from the line of Viraj Mehta from Enigma Investment Partners, LLP. Please go ahead.

Viraj Mehta: Hello. Thank you, Mr. Raju. Sir, my first question is that we have done roughly 3.8 lakh tons in the first half. And you are saying that we will do 1 million tons. So, you are saying that we will do 6.2 lakh tons in Q3 and Q4.

Raju Bista: We have done a gross of 4.1 lakh tons in Q1 and Q2. In Q3, there will be 2.6 lakh tons and in Q4, there will be 3 lakh tons. So, there will be a volume of 9.8 lakh tons for the entire year. Originally, we had thought of 10.5 lakh tons. So, we are revising it by 60,000-ton, 70,000-ton capacity. We have covered some of the shortfalls in Q1, but some are still left.

Viraj Mehta: Sir, the second question is that you mentioned in the export that we had a very good growth. So, the order that you got from the US, did you get any repeat orders in that? Is the opportunity of the US on a sustainable basis or was it one-off? Can you tell us about this?

Raju Bista: See, the US was one-off and the major volume that we have got this time is from the European countries and Canada. So, a lot of people like and recognize our brand in European countries, in Canada and in the Middle East... So, I think there will be a good growth in the export in the coming time as well. As far as the USA is concerned, everything is in confusion for now, and enquiries are coming continuously. As such we have send 2,000 ton or 2,500 ton of products. There is nothing fruitful as of now. We are seeing what can be done.

Viraj Mehta: That is right. Sir, my last two questions are from a strategic point of view. We have been saying for the past two years that we will do 1.1 million tons. We think that we will not be able to do it in the middle of year. We have been trying to reach 1 million tons for the past two years, but we are not able to do it. So, where is the shortfall in our organization? We want to do it, we are doing CAPEX, increasing distribution but we are not able to grow. We are stuck somewhere.

Raju Bista: Viraj ji, I agree with you. We always take a big target, and we should think big. But there are many factors. For example, in this quarter, we were hoping that instead of 24% growth in steel we achieved, there will be doing 35% growth. But suddenly, the shortfall in GST mainly on cement. We did not see much of a difference. Now, whatever sticks to the pipe and steel is

cement. So, the buying for one month has stopped. That was one reason. The second big reason was that due to the extended monsoon, there is growth in the overall value-addition product, export, and etcetera. But this time, the agriculture segment did not run as well as it should have. And the third reason is that from the beginning of this year, we have seen that compared to what we did last year in spiral and oil and gas, the order bank is a little less at the execution level, at the government level and at PSU level. But somehow, we are covering it with exports and the domestic market. So, if and but, something or the other happens. But overall, we can maintain the momentum of 8%, 10% growth of the industry.

And second half, our H2 is always better than H1 in Lighting as well as Steel Pipe. And according to that, we have also set some revised targets. And if we can continue to do what we do routinely. In the meantime, many things keep running like this. I mean, if some things come, then one quarter becomes enough for us to drive a lot of improvements. So, that is all.

Viraj Mehta:

Thank you. Thank you so much, sir. Secondly, sir, if we look at lighting, you are saying INR 1,900 crores and the EBITDA of INR 180 crores. But sir, our first half EBITDA is only INR 70 crores. So, can we do EBITDA of INR 110 crores in the second half? I mean, where is this confidence coming from especially for the margin in lighting.

Raju Bista:

The confidence in lighting always comes from the festival season. It comes from Diwali, Christmas and March closing. Because April, May, June, July, August till 15th September it is the rainy season and there are long days in which people use less lighting. And gradually, as the winter season comes, towards the festival season, the overall sales increase. So, always, revenue from 35%, 40%, to the balance of 60%, 65% revenue comes in the second half only. So, similarly, you will see in this in lighting, like EBITDA was 7.7% in Q1, I mean, it improved to 9%. And the second big thing was that the wire business that we have launched, we have done in three regions all India, and we are getting full production from this month. So, we are doing business of INR 150 crores, INR 200 crores in this year, in these six months. So, there will be a big contribution from that too. And the plan that we had made in lighting, EBITDA of around INR 180 crores, INR 185 crores, the target as it is, has been set.

Viraj Mehta:

Great, sir. The last question was on steel piping. Like, our big vision is to reach the capacity of two million tons, production and sales of 1.5 million tons, 1.75 million tons. By when will you reach the manufacturing capacity of 2 million tons? And secondly, do you think that there will be faster growth next year or not? Which factors will it depend on?

Raju Bista:

No, I think that the growth, from H2 to the coming time, I think the way the government has cut down the GST and has extended the housing for all scheme and Har Ghar Jal scheme. So, overall cash availability will be more in the hands of the general public. So, I think, down the line, everyone will get its advantage. And we will get to see that advantage in lighting and steel piping too. And as you said, we have already reached the capacity of 13.5 lakh tons. This year, the investment of INR 35 crores in Bahadurgarh plant in cold rolling, has increased the capacity by 36,000 tons in a year. In Gwalior, the investment of INR 50 crores in the spiral plant has

increased the capacity by 60,000 tons in a year. So, our capacity has increased by 90,000 tons to 100,000 tons.

Apart from that, in all the three plants – in Bhuj the investment of INR 50 crore is ongoing, which will increase the capacity by 60,000 tons. A new mill at Bahadurgarh, our old factory, the capacity is increasing by 36,000 tons. In Gwalior a DFT line is coming, in that too the capacity is increasing by 36,000 tons. So, the capacity will increase by 1.25 million tons by the end of the financial year, or by Q1 next year.

And there are some other green field projects, in which work is being done on Hindupur and at another location. They are already at the stage of plant & machinery finalisation. In that, the capacity will increase from 15 lakh tons to 20 lakh tons. So in that, the capacity will increase by 5 lakh tons. But this green field will have a capacity of about 25% in the next year. And in the next 1.5 years, the full capacity will be installed. So, in that sense, by increasing the capacity, we will get the advantage of a regional location, where there is a low margin, but there is growth. Mainly, our target is to cater to section pipes and all these segments, along with our value addition products. So, our plan is that in the next 1.5 to 2 years, to increase the capacity by 1.95 million tons.

Viraj Mehta:

Right. And sir, in the second half, if we have 200,000

Moderator:

Sorry to interrupt sir. But should you have any follow-up questions, kindly rejoin the queue.

Viraj Mehta:

Just one last question. Sir, if we are planning to invest INR 5000 in 2 lakhs as EBITDA

Moderator:

I am sorry to interrupt again, sir, but please join the queue. Thank you. The next question is from the line of Rachna from Simpl. Please go ahead.

Rachna:

Good evening, sir. Sir, with the BE transition in the fan industry, which is coming in Jan'26, so how are we planning to take price increases in fans category? And given that the current competitive intensity is high in fans, so how do you see the inventory levels shaping up across channels?

Raju Bista:

So, as per BE and according to the star ratings, we have upgraded all our products. And the inventory, because we mainly outsource around 100%, so we carry around 15 days of inventory. So there will not be a lot of inventory issues because of that. We have been working on that for the past six months.

Rachna:

Okay, sir. And what are your thoughts on price hikes?

Raju Bista:

On a regular basis, as the input cost increases, we automatically pass on the price to the market. So overall, not only fans and appliances, but in the overall consumer segment, whatever it is, it gets passed on. And because of BE, the 10%, 12% price increase that will come, has already been passed on to the market.

- Rachna:** Okay.
- Raju Bista:** Because it happens across the industry, it does not just impact only us, so it gets accepted easily.
- Rachna:** Okay, sir. Sir, you said 10%, 12% price hike will happen. Have you taken it or are you going to take it?
- Raju Bista:** No, no. It will be applicable from January 1, but it has already been announced in the market.
- Rachna:** Okay, fine. Our second question is that in our investor PPT, we have written
- Moderator:** Sorry to interrupt.
- Rachna:** Hello. Yes, this is my second question. Please let me speak. This is my second question.
- Raju Bista:** Yes, yes, go ahead.
- Rachna:** Thank you. In our investor PPT, in Lighting and Consumer Durables, we have an ecosystem already in place to capture fast-growing markets and categories. Can you give us a little more color on which channels we are going to use for growth, which key markets will be there, and which product categories will be there? And we have also written that there was good growth in mixer grinders this time. So, as a category, how have mixer grinders performed for us? And what are our expectations for the next year?
- Raju Bista:** See, overall, there has been a bumper sale in Diwali all over the country and because of that, in consumer products as well we saw significant growth. particularly, as far as appliances division are concerned, whether it is in the category of home appliances, of which mixer grinders are part of to all other things.
- So, in the lighting business, it demands continuous innovation. So, on a regular basis, innovation, R&D continues on routine basis. Accordingly, we keep working on new categories and developments for our products. So, across the table, whether it is the lighting business, whether it is the fan business, whether it is the appliances business, because it has become a very competitive business. So, that is why, from appearance to packaging, and the value addition within the product – for that , in the R&D center the engineering team of 25-30 people continue to work day and night. So, according to the requirements, we keep making changes in our product category in the market.
- Rachna:** Okay, sir. But as you said in the market, which channel do we target first? Is it GT or online?
- Raju Bista:** Our focus is that we have more than two lakh shopkeepers across the country who deal with this product category. And 80% of them are electrical outlets. So, our focus in the product category is also to give such products in the market, which will automatically be accepted in this channel. Or our channel partners who are already dealing in this product category. For example, earlier

we did not give fans, there was no wire, there were no appliances. Then there is such a product category which has very good growth in it, which we call professional luminaire. Earlier, there used to be a bulb tube light inside the house, so today there is a trend to install luminaire. Earlier, lights worth INR 1000, INR 2,000 were installed in the house but now lights worth INR 10,000 to INR 15,000 on an average are installed in the house. So, according to that, we focus on that product category and those channels.

And as far as all India basis is concerned, there are our 2 lakh to 2.5 lakh shopkeepers, and our outlets. So, throughout the country, we keep checking where our visibility and presence are strong and which areas are still grey, where we can increase our presence or where the activity of competition is less, so on a regular basis, we keep doing it together with our channel partners.

Moderator: Thank you. The next question is from the line of Andrey Purushottam from Cogito Advisors. Please go ahead.

Andrey Purushottam: Yes. I think you have given guidance for your lighting division in terms of revenue and EBITDA. Could you give the same for the steel business as well for the total this year?

Raju Bista: In lighting, we have a revised target of around INR 180 crores, INR 185 crores, in which Q2 was of INR 39 crores, INR 40 crores. So, within Q3, with launching of wire product category, it will be around INR 55 crores. And in Q4, with 11% EBITDA percentage, it will be around INR 60 crores. So, the lighting will be around INR 180 crores, INR 185 crores.

Similarly, within the steel division, our EBITDA per ton was around INR 5,013 this time. And in Q3, hopefully, it will be around INR 5,600 to INR 5,700 per ton. And on the minimum side, in Q4, the overall sales growth is good. Activity is more. We are assuming that EBITDA per ton will be around INR 5,800, INR 5,900. So, by this, EBITDA of steel division should be around INR 430 crores, INR 435 crores. So, overall, I think, revised number for EBITDA will be around INR 620 crores, INR 625 crores for the whole year. We have downsized from the original target of INR 700 crores.

Andrey Purushottam: And sir, in the performance in exports, is there any contribution of tariffs? To save tariffs, to save the deadline,

Raju Bista: You have mentioned it very rightly. There is some impact of it in Europe as well.

Andrey Purushottam: So, are the numbers of exports sustainable? What do you think?

Raju Bista: It is sustainable because last year, the export was a little less. If we look at it accordingly, in the market, the overall demand, whether it is from Australia, New Zealand or Canada, and in the Middle East, we keep doing it on a regular basis. And as far as we can see, we have the orderbook of 30,000 ton, INR 40,000 ton in our hands.

Moderator: Thank you. The next question is from the line of Kiran D from TableTree Capital. Please go ahead.

Kiran D: Thank you, sir, for the opportunity. Sir, I have a question on EBITDA per ton. Maybe I will speak numbers in English. So, essentially, sir, in our investor presentation, we say that last year EBITDA per ton was about INR 5,400 overall. And GI pipe did about INR 6,500 EBITDA per ton. API spiral pipes of exports did INR 9,300 EBITDA per ton. And black pipe did INR 4,800 EBITDA per ton. So, what we have done in H1, because Agri is down, exports is up, I was assuming because exports is up and exports is INR 9,300 EBITDA per ton, our EBITDA will be substantially higher. So, how does this product mix work, sir? And is it like, should we look at the overall year basis or should we look at H1 and H2 in two halves?

Raju Bista: No, I could not understand your specific question.

Kiran D: Sir, the question is that GI pipe, API spiral pipe and black pipe EBITDA per ton is INR 6,000, INR 9,000 and black pipe is INR 5,000 respectively. So, if I add up H1 and H2, the answer you gave to the previous participant that it will be INR 5,800 EBITDA per ton. So if I add it up, it will be around INR 4,500 EBITDA per ton. Right? And 10 lakh tons, so therefore INR 450 crores EBITDA. So, that is the calculation that you just said. So, I am not able to understand that our GI pipes EBITDA per ton is very high, API spiral pipe is high, much more than

Raju Bista: Yes, I understood. Overall, you are right. If there is GI pipe in the export, then obviously EBITDA per ton should be high. Similarly, as I told you, due to the extended monsoon, the GI sale, the domestic trade route, there was pressure in it. So, due to the product exchange, the substantial improvement in EBITDA per ton has come down. I fully agree with you.

Kiran D: Got it. Sir, the second question is, in terms of steel outlook, the price fell in July, there was some inventory loss, we used operating leverage to reduce the loss This changes every month. But according to you, in the next six to eight months, how do you see Steel Pipes, do you see Steel Pipes correcting from here on, or do you see Steel Pipes going up from here? Because I am just worried about inventory losses.

Raju Bista: So, it is very difficult to predict in steel for a very long time. But I think there is not much scope left till March. And this price range, I have seen from last month, is around INR 46,000 to INR 46,500. And I think this is the bottom price for at least another five, six months, I think till March. If something substantial happens in the world, there is no guarantee. But still, in the case of Surya Roshni, we manage it very well, because we do not have to work with steel at a very high level. And whatever steel is left, according to our order book, we do our positioning.

And the third thing is, because we are a converter, we do not make HR Coil, we do not to bear any substantial loss in steel. So, there is a little more role of management and planning in this. So, somehow, because we have four or five buyers, we manage it efficiently, that in which month, who should we buy from, and what advantage can we get from the price. And otherwise,

you will see, like per ton EBITDA Loss, we are assuming INR 500, otherwise, if this was the case, then it was very substantially high. So, we were able to manage it. So, generally, this is the trend.

Moderator: Thank you. The next question is from the line of Aditya Pal, from MSA Capital Partners. Please go ahead.

Aditya Pal: Hi. Thank you so much. Sir, am I audible?

Raju Bista: Yes, sir. Very clear.

Aditya Pal: Sir, first of all, congratulations. We missed a little, as we said in the last quarter, INR 2,140 crores. We missed this quarter a little, but good performance overall, sir. It felt good to see that we have made a comeback. Sir, my question is broadly on the Steel Pipe segment. So, when I see now, roughly we do volume of, from 60,000 per month to 67,000 per month, 68,000 per month, and our capacity, which you told Mr. Viraj earlier, that INR 13.5 lakhs, so that means, roughly, we can do 3,30,000 per ton. So, how do I see this now? How do we go about from here? Because you have reduced the guidance. But you have the capacity to sell it. So, can you give me a demand perspective? What are we not doing correctly to fill the capacity?

Raju Bista: See, this segment of high growth is mainly in the section pipe. And equally, if you have presence in all India, then you get an advantage of that. Otherwise, in Maharashtra, and in the rest of the West, if I sell goods in the state, and I do not get realisation, and my cost does not come out, then we do not do that in business, although we get volume in that. So, the capacity is almost at the level of 80%. And that is optimal in terms of steel because there are a lot of variations in that. But, we have added one lakh ton this year and in the next six, nine months, our capacity will improve by 1 lakh ton, 1.25 lakh ton. So, according to that, we are catering that segment. And that quantity, the installed capacity will increase by 50%. But if we look at it in the long term, I think we will have almost 50% capacity within the next 2-3 years. You will see that within the sale realization as well.

Aditya Pal: Sir, what I do not understand is that, roughly, you see, from the last six, eight quarters, our volume is flat, not even six, eight, but 12-15 quarters. So, what I want to understand from you is that, in the previous time, we did not have the capacity. Now, we are bringing the capacity. And a big capacity will come in FY'26 and FY'27, INR 500 crores greenfield which we are doing.

Raju Bista: So, till now, we have been de-bottling a little. According to that, our capacity is increasing and our volume is also increasing. We will change the product mix in that also. You will get to see that reflection in the per ton EBITDA, in case of Surya Roshni Limited. And substantial quantity will improve according to that. And thirdly, 75% is a little less, but if we see around 80%, is the capacity utilization of the overall industry also in this range. Around 80% is the capacity utilization in the Steel Pipe segment.

Moderator: Thank you. The next question is from the line of Raj Mehta from Raj Mehta & Associates. Please go ahead.

Raj Mehta: Thank you, sir. Sir, the growth outlook that you have given, in that, our competitors also had the highest volume. So, we are also growing at the same pace as the peers and competitors but our ROE and ROC is very less because our value-added products mix is not that much. So, as you said in the presentation that in your higher value product, you have got a good order book. So, going forward, if our volume growth is not happening from such a long time, so can we focus on the margin and increase our value-added products and can we do more PAT growth in the future? That was my first question.

Raju Bista: It is good that you have asked. We are improving ROC and ROE on a regular basis and there has been a substantial improvement in this quarter as well. As far as the value-added product is concerned, we are around 44%, 45%. We are already on the same line. And as the install capacity is increasing, our value-added product will be around 55%, 60%. And as you said, there is a lot of volume in steel, but our focus is on the product mix that is to have more value-added product with more margins. So, we are balancing everything. But, it is okay to be a little aggressive. There is an opportunity in the market and after the capacity is installed, we will go a little aggressively towards volume.

Raj Mehta: Okay, because our competitors are focusing more on value-added and margins rather than volume.

Raju Bista: Earlier, we used to say this, but now they are saying our language. So, it is good.

Raj Mehta: Okay, and sir, my second question was that we are net-debt-free now and our CAPEX is almost complete and we already have surplus cash in our books. So, going forward, other than dividends, how are you going to utilize it? Because if it is in our books and we are not able to invest it, for some reason, even after installing capacity, we have to go aggressive and focus on growth. So, on that basis, the funds that will come to us in the future in cash flow, how are we going to reinvest the funds in or what is the roadmap? It is better if you can tell us.

Raju Bista: These days, there is a government formula, DBT, direct benefit transfer. As far as Surya Roshni's case is concerned, we have PAT around INR 350 crores, INR 375 crores and INR 100 crores, INR 125 crores investment in Steel Pipes and investment in lighting over next five years, we require around INR 40 crores, INR 50 crores only. So, firstly, we do something for CAPEX and when there is some growth, there is some inventory and there is some involvement in working capital and we return the third ratio to the shareholders. So, whatever money comes to the company, whether it is a promoter or a shareholders, the company is continuing to run for them only. So, what we need in working capital and CAPEX - apart from that in some form or other on a regular basis, we will transfer the benefit to the shareholders and that is why we have announced an interim dividend of INR 2.5 per share and we will continue to do so in the future. As you can see, in this quarter, our PAT was around INR 75 crores, INR 80 crores and we have

transferred substantial amount - almost 80% of it to the shareholders and it also reflects our actions.

Raj Mehta: Thank you. The next question is from the line of Savita from Golden Sands. Please go ahead.

Savita: Congratulations on the good performance.

Raju Bista: Thank you.

Savita: Second, I wanted to know what sort of R&D expenses we are doing in electrical and how much we are likely to get affected with this issue going in China.

Raju Bista: Which issue were you talking about? I did understand about the expenses in innovation, and what is the second part you are talking about?

Savita: What is your import content in the lighting business from China? Any plans to localize that?

Raju Bista: As far as R&D Innovation Centre is concerned, in Noida, we invest around INR 18 crores, INR 20 crores annually including salary. And as far as lighting is concerned, the import content is around 30% of the overall revenue.

Savita: We are quite expose to those global vagaries. What is your plan for localizing that?

Raju Bista: There are two, three things. The electronic items, the quality and performance and pricing in import is not available in India, because there is a huge involvement of CAPEX. Electronic manufacturing requires INR 500 crores, INR 600 crores investment. The focus of government has increased on this and in the future, I think after four, five years, it will might reflect and it might be available in India and there is a lot of involvement of rare earth material. We are comfortable and we do not have dependency on only one country. We import from multiple sources from multiple countries. We have been doing this for decades, so as such there is no issue. This is the trend for the overall industry. It is not only in our case. We used to import a lot of products in the form of SKD. We have indigenized that. The light source material items are almost 100% manufactured by us. Because of this, overall, there has been an overall improvement in the margin. The replacement in average used to be 7%, 9% but today it has reduced to 2% because we started in-house products manufacturing. There is a thrust of the government because after oil, it is said that a lot of electronic imports come to India. Some capacity has been installed in Assam and UP, then I think it benefits will accrue later. But today, immediately I do not think that anything can happen in the next two, five years.

Moderator: Thank you. Thank you very much. Ladies and gentlemen, we take this as last question for today due to time constraints. I now hand over the conference to Mr. B. B Singhal for closing comments.

B. B Singhal: Thank you everyone. We appreciate your interest in Surya Roshni Limited. I sincerely once again thank our MD sir and the CEOs for sparing their valuable time and addressing queries raised by participants who attended the call. For any further queries you can contact SGA our Investor Relations Advisors. Thanks. Good evening.

Raju Bista: Thank you very much.

Moderator: Thank you very much. On behalf of Surya Roshni Limited that concludes this conference. Thank you and you may now disconnect your lines.