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SURYA

SURYA ROSHNI LIMITED

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SRL/26-27/23
August 18, 2026

The Secretary
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
MUMBAI - 400001
Scrip Code: 500336

The Manager (Listing Department)
The National stock Exchange of India Ltd
Exchange Plaza, 5th floor, Plot No. C/1, G Block
Bandra Kurla Complex, Bandra (E)
Mumbai – 400 051
NSE Symbol: SURYAROSNI

Sub: Transcript of Earnings Call (Group Meet) for the Quarter ended 30th June, 2026.

Dear Sir,

This is with reference to the Company intimation dated 5th August, 2026 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 June, 2026 scheduled for Tuesday, 11th August, 2026 at 4:00 P.M (IST).

Further to the audio recording filed with the stock exchanges already on 11th August, 2026, 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

BHARAT BHUSHAN SINGAL
Digitally signed by BHARAT BHUSHAN SINGAL
Date: 2026.08.18 12:39:24 +05'30'

B B SINGAL
CFO & COMPANY SECRETARY

Enclosed: as above.

“Surya Roshni Limited

Q1 FY27 Earnings Conference Call”

August 11, 2026

E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recordings uploaded on the stock exchange on 11th August 2026 will prevail.

MANAGEMENT: **MR. RAJU BISTA – MANAGING DIRECTOR**
MR. B. B SINGAL – CFO AND COMPANY SECRETARY
MR. GAURAV JAIN – CEO, STEEL DIVISION
MR. VASUMITRA PANDEY – CEO, LIGHTING DIVISION
MR. NARESH SINGHAL – ED, STEEL OPERATIONS

Moderator: Ladies and gentlemen, good day and welcome to the Surya Roshni Limited Q1 FY27 Earnings Conference Call. Before we begin, a brief disclaimer. This conference call may contain forward-looking statements about the company, which are based on beliefs, opinions, and expectations of the company as on the date of this call. These statements are not the guarantees of future performance and may involve risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen-only mode, and there will be an opportunity for you to ask questions at the end of today's presentation. Should you need assistance during this conference call, please signal an operator by pressing star, then zero on your touchtone phone. Please note that this conference is being recorded.

I would now like to hand the conference over to Mr. Raju Bista, Managing Director, for his opening remarks. Thank you, and over to you, sir.

Raju Bista: Yes, good evening, everyone. I am Raju Bista, Managing Director, Surya Roshni Limited. On behalf of Surya Roshni Limited, I extend a very warm welcome once again to everyone for joining us today.

On this call, we are joined by Mr. B. B. Singal, CFO & Company Secretary; Mr. Gaurav Jain, CEO, Steel Division; Mr. Vasumitra Pandey, CEO, Lighting & Consumer Durables; Mr. Naresh Singhal, Executive Director, Steel; and SGA, our Investor Relations Advisor. I hope everyone had an opportunity to go through the financial results, which were published just almost one hour before.

Moving on to the overall financial performance highlights. In Q1 FY27, our consolidated revenues stood at INR 2,046 crore, up by 28% year-on-year. EBITDA for the quarter stood at INR120 crore. PAT for the quarter stood at INR60 crore, up by 77% year-on-year. We remain a zero-debt company with a net cash surplus of about INR155 crore as of June 30, 2026.

Coming to the Lighting & Consumer Durables. The Lighting & Consumer Durable segment delivered its strongest ever first quarter with revenues of INR456 crore, at a growth of 15% year-on-year. Growth was broad-based, led by LED bulbs, battens, downlighters, alongside continued momentum in appliances and professional lighting.

EBITDA for the quarter stood at INR36 crore, which is up by 17% year-on-year, with margins improving to 7.9% in Q1 FY27, even as we pass on an input cost increase of approximately about 7% during the quarter with minimal impact on profitability.

Professional lighting ended the quarter with an order book of approximately INR150 crore, providing healthy near-term execution visibility.

In Wire & Cables, we achieved close to our FY26 sales volume within Q1 of FY27 itself, supported by our Direct Benefit Transfer Electrician Loyalty Program, where enrollments have gone up to 36,000 as of today. Our FY26 revenue target for the Wire business remains INR250 crore, on track with our 3-year guidance of INR500 crore.

We remain fully on track to deliver our FY27 guidance of about 22% to 23% value growth and about 25% of volume growth in lighting. And with the festive seasons now underway, we expect the next three quarters to be more strongly supported by deeper distribution penetration and continued investment in brand building.

Now, moving on to the Steel Pipes & Strips segment. The Steel Pipes segment delivered a strong start to the year. Revenues for the quarter stood at INR1,590 crore, which is up by 32% year-on-year, with volume growth of around 21% year-on-year to 2.28 lakh tons, achieving its ever highest sales in Quarter 1.

The growth was best led by section pipes, ERW API pipes — supported by a sharp rise in export volumes following the opening of our US market — spiral, cold rolling, and GP pipes, even as galvanized pipes remain soft due to continued delay in government fund releases.

EBITDA for the quarter stood at about INR84 crore, up 63% year-on-year, with EBITDA per ton to INR4,006 against INR2,922 in Q1 of FY26. The capacity utilization stood at approximately 82%. Value-added products contribute 47% of overall volume, and export accounted for 20% of segment volumes.

Our order book across trade, export, API, and spiral pipe stood at INR800 crore, including 78,000 tons of export API orders for the US market.

Looking ahead, our strategy for the business rests on three pillars: capacity expansion, deepening our value-added product mix and structural cost reduction.

Three new DFT mills are being commissioned across Gujarat, Malanpur, and Bahadurgarh plants between August and December 2026. And we will continue to add 2 lakh to 3 lakh ton of capacity every year, targeting overall capacity of about 16 lakh ton in FY27 and approximately 2 million ton of capacity by FY '28-'29.

On cost, our various automation, energy efficiency, and replacing old plants initiatives are directed at a per ton cost reduction of about INR1,100. And we are fully committed that full year of FY27 guidance of INR4,600 to INR4,700 per ton EBITDA will be achieved.

We remain confident that our current global supply chain present structural long-term opportunity for efficient Indian manufacturers with integrated capabilities, and Surya is exceptionally doing well-positioned to capture that upside across both our businesses.

Now, I would like to request Mr. B. B. Singal to share his views. Thank you.

B. B. Singal: Thank you, MD sir, and a very good afternoon to all the participants on the call. For the quarter, the revenue was INR2,046 crore as compared to INR1,605 crore, a growth of 28% year-on-year basis. EBITDA and PAT stood at INR120 crore and INR60 crore as compared to INR83 crore and INR34 crore in Q1 FY26, a growth of 46% and 77% year-on-year basis, respectively.

In Lighting & Consumer Durables, revenue for the quarter stood at INR456 crore as against INR397 crore, a growth of 15% year-on-year basis. EBITDA and PBT stood at INR36 crore and

INR24 crore as compared to INR31 crore and INR21 crore in Q1 FY26, a growth of 17% and 12%, respectively.

In the Steel Pipes & Strips, during the quarter, the revenue was INR1,590 crore as compared to INR1,207 crore, a growth of 32% year-on-year basis. Similarly, EBITDA per metric ton stood at INR4,006 compared to INR2,922 in the same period last year, a growth of 37% Y-on-Y basis. EBITDA and PBT stood at INR84 crore and INR57 crore as against INR52 crore and INR24 crore, a growth of 63% and 134%, respectively.

In Q1 FY27, our net working capital cycle was 72 days, with a return on capital employed of 12.69% and a return on equity of 8.95%. Improved capacity utilization, working capital optimization and cost rationalization enabled us to become a zero-debt company and having cash surplus fund of INR154 crore as on June 30th 2026.

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

Moderator: Thank you very much, sir. We will now begin the question-and-answer session. We have our first question from the line of Viraj Mehta from Enigma Investment Partners. Please go ahead.

Viraj Mehta: Yes. Hello, sir. Congratulations, Raju ji, for a good performance. Sir, my first question was, you said we will do INR4,700 to INR4,800 of EBITDA per ton, but if I look at the first quarter, our EBITDA per ton has been INR4,000. So, to achieve INR4,700, INR4,800, we will have to do above INR5,000 EBITDA per ton in the remaining three quarters. So, how will that happen?

Raju Bista: Okay. I would like to explain two things to you in a bit of detail, one regarding volume and other regarding profitability. As I mentioned in the last con-call, we were expecting 2,65,000 tons in Q1 but somehow it reached around 2.30 lakh tons. There was a slight shortfall due to two or three reasons.

Firstly, due to the unavailability of some of our vessels, material worth around 7,000 tons was lying at the port. Secondly, because of whatever extended situation is going on in the Middle East, orders from the Middle East side were slightly lower by 8,000 to 10,000 tons. And in API spiral there was a shortfall of around 8,000 to 10,000 tons, which was expected in Q1.

Because of that, volume is slightly lower; otherwise, growth has been fairly decent. And the 11 lakh tons figure we mentioned, we will complete that in the remaining three quarters: Q2, Q3 and Q4 combined, we will achieve that growth number of around 22%, 23%.

As far as profitability and EBITDA are concerned, I would like to share two or three reasons with everyone as to why EBITDA per ton which was expected to be around INR4,700. There was an impact of around INR700 per ton. There are two major reasons and very genuine reasons. First, because of ocean freight, there was an impact of nearly INR3,800 per ton in this quarter. And our total exports have been over 20% in this quarter. If I divide that by total volume, there is an impact of nearly INR800 per ton on EBITDA purely because of ocean freight.

Similarly, there has been an increase in some input costs, mainly in coating material, gas and ORM, which also had an impact of around INR200 per ton. But along with this, I would also like to say that this ocean freight impact was particularly higher in this quarter, mainly due to our earlier old order bookings.

Now, almost all the orders currently in hand or coming in are being booked at the new increased freight rates. So because of that, you see a clear positive impact of around INR1,000 or at least INR600, INR700 on EBITDA, which we will fulfill in the coming period.

And regarding your main concern about the full year, where we had guided INR4,600 to INR4,700 for the full year. We will do around INR4,400, INR4,500 in the second quarter and combining third and fourth quarters, we will achieve an EBITDA per ton of INR4,600 to INR4,700 for the full year. And as for the profitability combining lighting and steel that we mentioned in the last call, we will achieve that. We are fully confident.

Viraj Mehta: Sure, sir. Thank you so much, you explained in great detail. Sir, second question is regarding our steel prices, which corrected quite a bit in April, May and June. So how much inventory loss would have occurred in this quarter roughly?

Raju Bista: Particularly in April 2026, there was a price increase of INR3,000 to INR4,000. In May and June, the price decreased. So overall in the entire quarter, it was at par, so there was no such impact in Q1. More or less, steel prices currently seem stable to me, running at this level with INR1,000 up or down.

And in Q2, we will also have a benefit as vessels containing around 25,000 tons have already arrived at the port and in this quarter and the next quarter, its positive impact will also be seen in our balance sheet. Because that imported material coming in has quite reasonably good prices as compared to domestic.

Viraj Mehta: Right, sir. Sure, sir. I don't have any more questions. I'll come back in the queue.

Moderator: Thank you. We have our next question from the line of Kiran from TableTree Capital. Please go ahead.

Kiran: Sir, thank you for the opportunity. A couple of questions. So, first thing on order book within the steel segment. So, we had an order book at end of March of INR1,000 crore, as given in the presentation. Now in this quarter, we are saying in spite of all these increase in exports and everything else, our order book is INR800 crore.

So there's an order book decrease of INR200 crore. I mean, should I assume that this INR800 crore has a higher proportion of exports and therefore, we'll continue to do better margins because order book fell 20%, sir, so that's why I wanted to ask.

Raju Bista: No, you can look at it this way slightly, because the earlier order book was cleared. Now, in the fresh order book, with increased freight if you see, within exports, there is an impact of INR3,800 per ton, so there is a very good increase in the product. And similarly, slightly due to the Middle

East, on a regular basis in the Middle East, we used to do around 15,000 to 20,000 tons quarterly. Now almost one-third of the material is able to go currently.

And API orders are not in the flow they should be; there is also almost a 50% de-growth in that. These are three reasons, but combining lighting and steel, there is an order book of INR1,000 crore. And in our business, an order book of INR800 crore, INR1,000 crore or INR1,200 crore remains on a regular basis and more or less all our businesses are quite fixed. It fluctuates a bit sometimes due to projects, otherwise, more or less if you see, through our domestic trade consumer business alone, our sales remains around 53% and around 20% is contributed by exports.

Cold rolling segment is small, so it stays around 10% and government and actual user contribute around 15%. So, more or less, almost 75% to 80% of our business is fixed like a distribution segment type. So, this is a positive part of our business cycle. So, it will not have a very large impact, even if it looks like INR800 instead of INR1,000 and this will immediately become INR1,000, INR1,200 as well, it will not have much impact on the quarter's volume.

Kiran: Understood. My second question is -- sorry sir, my Hindi is a bit weak, so please excuse. My second question is that what we are exporting to the US and Middle East, is it mostly GI pipe or API and spiral pipe?

The reason I'm asking, sir, is because API spiral pipe, which was our highest EBITDA per ton fell quite a bit in FY26. So, that's why I wanted to ask if our majority export that we are saying to the US about 78,000 tons and everything, is it GI pipe or API and spiral pipe?

Raju Bista: No, this is ERW API pipe. This is a new market that has been added to our kitty. And within this as well EBITDA per ton is good. In this quarter, it was around INR7,200, mainly on account of freight in relation to vessels. But for the long term, break-bulk tie-ups have also been done, particularly for the US market where large volumes goes.

So, in the coming quarters, EBITDA in this will improve further. And due to being break-bulk, the impact of increases in vessels will also be slightly lower. So, what is mainly going to the US market is API ERW pipe, not spiral.

Kiran: Got it. Last question from my side, in terms of this US opportunity, export opportunity, which this new product that opened up and previously also we used to export a little bit, but now it's a completely new product like you just said, ERW API.

So, in FY27, US focused revenue or general export revenue, how much can we do, sir? And in FY28, how do you see the growth, especially in the API business because EBITDA per ton is much higher? So, it'll be very good to paint a picture for us to say, exports will see this much growth and all this export growth will come at a higher EBITDA per ton.

Raju Bista: See, two or three things, as I mentioned earlier as well, in the full year, our volume target is of 11 lakh tons. Currently it is at 2.3 lakh tons, In Q2 we will do around 2.6 lakh tons, in Q3 2.8 lakhs to 2.9 lakh tons, and in Q4 around 3.2 lakh tons. So, we don't see any such issues in achieving 11 lakhs tons sales volume and utilization is also running at almost 82% plus across all five factories. So that is one.

Simultaneously, as I mentioned in my opening remarks, our main thrust is still that our focus remains on higher-margin, high value-addition products. So gradually you will see, from 40%, 42%, it has now increased to around 47%. And after a slight correction in the Middle East, the Australia and New Zealand markets are also growing, some Malaysia and some new countries are also in the pipeline. So I think our US share will remain around 8% to 10%, so overall our export contribution will become increase from 20% to about 25%.

Kiran: So 20% was in FY26, now it will be 25%. Is that the right understanding?

Raju Bista: See in FY26, it was about 15%, 16%, precisely 17%. Now in FY27, it has increased to 20%. So gradually it will go up to like about 25% of total steel segment.

Kiran: Perfect. Thank you so much. I'll get back in the queue.

Moderator: Thank you. We have our next question from the line of Love Gupta from Counter Cyclical Investments. Please go ahead.

Love Gupta: Sir, in the last call, you said that under the new rules, you will consider a buyback. So is there any update on that?

Raju Bista: No, work is going on regarding that. Hopefully, very soon, we will make some decision on that. But as such, I don't have any material today to disclose but our team is working on it. Because now, the double taxation angle that was there earlier has also been corrected by the government.

So within that, we will do it. And a bit, particularly within these two or three quarters because of this price increase or steel prices going through ups and downs, working capital has also increased a bit, money is tied up there quite a bit. But very soon, we will do some corporate action and inform you quickly.

Love Gupta: And second sir, is there any update on the demerger as well?

Raju Bista: So, that is also a matter of corporate action. Let's see what consensus the board reaches, whether on buyback or demerger. But as Managing Director of the company, I say that both businesses are doing well stand-alone, even lighting-consumer and steel segment as well. So I feel this is the appropriate time provided (the micro already looks fine) the macro situation improves a bit. I feel this is the right time. I will definitely convey your concern to the management and the board.

Love Gupta: Thank you so much.

Moderator: Thank you. We have our next question from the line of Pranav from Rare Enterprises. Please go ahead.

Pranav: Hi, sir. Thanks a lot for the opportunity. Sir, in last quarter, you had said that you will come to a decision by the next board meeting on demerger. And so -- and also second thing is, what in macro and micro actually is like -- because two businesses have completely different cycles, different macro and different micro. So, why we take this reason as a reason to delay demerger or buyback, just for my clarity?

Raju Bista: There are two or three things. One, both businesses, as I said, are quite strong stand-alone. And in lighting, we have added wire and appliances, etc. In steel pipe, we have also done further investments. So, we are moving forward on that same path. And globally, the geopolitical situation is uncertain; today something happens, three days later something else happens, so all these scenes are there.

Looking at all this, whenever it feels like this is the right time and I again say the same thing, we don't have debt, banks has served as long as they had to, and employees get their salary on time by the 5th. So all the money in the company belongs to the shareholders; whatever is the company's wealth belongs to the shareholders and it will go to them only.

Pranav: Correct, sir. So that's why -- because whenever I study this company, I feel that regulatory-wise or bank-wise or anything, there is no theoretical thing stopping demerger, unless and until...

Raju Bista: I also believe there is no logic in not doing the demerger. I strongly believe.

Pranav: Correct. Sir, one more thing was that, as you said, INR7,200 realization you also got for this quarter exports but most of the EBITDA increase were eaten away by tariff increase. So going forward, do you see thing that the tariffs have normalized or the pricing will take care of this EBITDA erosion that has happened -- EBITDA per ton erosion that has happened?

Raju Bista: See, what happens is that the order book from earlier goes at that same price. Now, whatever new orders are there, even the order-in-hand, booked, those are also being taken by including new freight. And that's why slightly, you will see INR800 crore order book instead of INR1,000 crore with us.

So, as for the impact of INR3,800 per ton on total export volume -- different countries have different tariffs, so its impact will not come in the coming quarters. That we have already taken care of.

Pranav: Understood, sir. Sir, last question from my side. You had guided that export versus say 1.26 lakhs to 1.3 lakh tons last year would be 2.4 lakhs or 2.5 lakh tons this year. So -- and that will help obviously the EBITDA per ton for our company. So, does that outlook -- volume outlook remain same? So, 10,000 tons per month US market has opened for us, does this continue?

Raju Bista: So, overall, as far as the US market is concerned, we'll be doing like, I mean, 1,20,000 tons to 1,25,000 tons of business during this entire FY27.

Pranav: So total exports will be upwards of 2point something, 2.2 lakhs to 2.5 lakhs?

Raju Bista: Yes. I mean, the contribution of the US market probably will be around 10% to 11%. So, I think we'll be doing around 3 lakh tons of export.

Pranav: Okay. Thank you, sir.

Moderator: Thank you. We have our next question from the line of Shantanu Basu from SMIFS Limited. Please go ahead.

Shantanu Basu: Hello? Am I audible?

Moderator: Yes, sir.

Shantanu Basu: Yes, hi. So, sir, my first question is with regard to the Middle East situation. If you could just explain or give us some clarity with regard to how the Middle East situation is shaping up and how would we see it shaping up during the next few quarters? That is one.

And the second question is, when I'm looking at slide 18 of your presentation, I'm seeing that the API and spiral pipe EBITDA per metric ton dropped very significantly in FY '25-'26 to INR5,600 compared to INR9,136 in FY22, then of course it went up to INR12,000, INR10,000. So, what was the reason for this sharp drop and how do you see it and what is the figure in Q1 FY27 and how do you see the figures to improve in the coming quarters? That's all, sir.

Raju Bista: See, first, as you mentioned about the Middle East, freight became $300 to $4,200, so that is not in our hands. And the situation, how it will evolve ahead, is very difficult to say precisely. Neither it is in our country India's hands nor whatever is going on there is in anyone's control.

And second, what you mentioned about spiral, in this, what happens is that sometimes when there is API spiral, good prices are fetched; in water pipe, slightly lower prices are fetched. So because of that product mix, its impact comes in this. So as such, generally within spiral, in API spiral, margins are on the higher side and in water pipe segment, competition is a bit higher.

Shantanu Basu: Sir, Q1 FY27, how much was this?

Raju Bista: So, it was INR3,420 per ton.

Shantanu Basu: INR3,420?

Raju Bista: Yes.

Shantanu Basu: Okay.

Raju Bista: So in this, a little bit of the impact of coating material is quite significant in this spiral.

Shantanu Basu: Okay, sir. And how do you see this figure in the remaining three quarters?

Raju Bista: So, this will gradually improve because now fresh orders are coming, so I feel compared to last year's INR5,500–INR5,700 per ton, I feel we will take it up to INR5,000.

Shantanu Basu: For the full year?

Raju Bista: Yes.

Shantanu Basu: Okay, fine.

Moderator: Thank you. We have our next question from the line of Resham Jain from VVD Asset Managers. Please go ahead.

Resham Jain: Hi, sir. Good evening. Congratulations on a good set of volume growth. Sir, I have three questions. First is that generally API pipe tenders in India were quite slow for the last one year, but now it seems quite a few new tenders are floating. So do you have any view on that for the second half?

Raju Bista: So, remaining two questions? Ask together.

Resham Jain: Second was that the capacity expansion we are planning, already we are at 16 lakh tons, I think and you said we will add 2–3 lakhs tons every year. Where will we do that? In South, East, where your capacity is a bit lower, will we do it there?

And third question is, you said you will do the same EBITDA in FY27 as guided earlier. Last time, you gave guidance of INR700 crore EBITDA for FY27. So these are the three questions, sir.

Raju Bista: So first, as you mentioned, as far as the API business is concerned, tenders are coming, you are very much correct, and we are participating in them, but it takes a bit of time in the process to materialize. So, that is one.

Second, regarding capacity, currently our capacity is 14 lakh tons. By the end of this year, with expansion complete across all three factories, mill commissioning will happen, so it will become 16 lakh tons. And in FY '28-'29, it will become 2 million tons.

And as far as the overall EBITDA is concerned, our EBITDA was INR 120 crore in Q1. So, we are expecting around INR 150 crore in Q2. And our target is INR 400 crore for the rest H2. So, EBITDA will almost around 670-680 crore for the whole year. And the revenue turnover will be around 9,400-9,500 crore.

Resham Jain: Okay. Sir, I was just wondering where will you expand your capacity incrementally?

Raju Bista: Currently we have expanded in Gujarat, Gwalior plant, and South. Our next capacity expansion is being done in South. Already in Hindupur, 10 acres of additional land we have already taken and a setup of around 15,000 tons is being extra created there. And commissioning of its first mill will happen in January 2027, i.e., after 6 months. It will be a total 4-mill plant, and involves an investment of around INR60 crore is being made. This additional land is adjacent to our current factory in Hindupur. So our capacity will increase by nearly 3 lakh tons there.

Resham Jain: Okay. Thank you, sir. All the best.

Moderator: Thank you. Next question is from the line of Viraj Mehta from Enigma Investment Partners. Please go ahead.

Viraj Mehta: Yes. Hello, sir. Sir, my -- just a couple of clarifications. You said INR680 crore EBITDA for the full year. That means INR150 crore in the second quarter. Is that correct?

Raju Bista: Yes.

Viraj Mehta: INR150 crore-INR160 crore in the second quarter.

Raju Bista: Yes.

Viraj Mehta: Hello?

Raju Bista: Yeah, yeah.

Viraj Mehta: Right. And sir, this freight issue in export, are any of those orders, has this issue continued even in the second quarter in terms of July? July is already over, I am sure you are aware that is there a margin hit in July due to freight..

Raju Bista: No. Viraj bhai, in July, it is very low, and in the next 2 months, it will not be there at all, because now whatever fresh orders are coming, those are coming on increased prices. We are taking all impact of this freight, vessels, whatever is coming. And we are finding other methods also, like for U.S., break-bulk was easily possible, so we did that, so it had a very nominal impact. So, it took a bit of time, but its impact will not come now in quarter two, three.

Viraj Mehta: Right, sir. And sir, last two questions. One, sir, what is the -- because we have had spillover, sir, first quarter to second quarter also spillover has come, because you said at port 8,000 tons to 10,000 tons had remained. So, sir, Q2, in your view, how much volume will we do? July is already over, so I'm sure there is some rough sense you have.

Raju Bista: That's why for Q2, we have given a higher guidance, its impact in Q2 will reflect.

Viraj Mehta: No. So, absolute amount, how much will it be, sir? 2.7, 2.6 -- 2.7, 2.8 lakh tons (erroneously lakh tons not mentioned), how much will we do, sir?

Raju Bista: 2.6, 2.6 lakh tons minimum.

Viraj Mehta: 2.6 lakh tons.

Raju Bista: 2.6 to 2.65 lakh tons, yes.

Viraj Mehta: Okay, sir. Thank you. Thank you so much.

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

Raj Mehta: Sir, first, I wanted to ask that for the last 4 years, our sales growth and EPS growth is almost constant. In our company, we are also completing capex. But competitors, as you faced in this quarter, APL Apollo also faced the same thing, but they have increased margin in fact, and they are gaining market share even now.

So, you are focusing a bit more on export and trying to capture market. So, I wanted to know your view, that domestically, with the margin pressure that you are facing, along with competition, you are also not getting volume, so you also had to squeeze margin and sell goods, how is the situation on ground?

Raju Bista: Slightly, every company has its own strength and weakness. And as far as peers are concerned, see, in our volume, there is around 21% growth, in value terms 32% growth. And as for peers the company you named, they have 8% growth. If I talk about Jindal SAW, 13%, Ratnamani minus 16%. So different companies are there, and it also depends quarter-to-quarter on what kind of product mix you do.

So, we have our own strength, we are working on that strength, and its impact will be seen in the coming time -- as I said in the last con-call, this year will be a year of growth in Surya Roshni's case. And so far, we talked about steel. And in lighting as well, despite such a tough overall situation, in quarter one, we have done 15% growth.

And this growth will continue. Even in lighting, we will do a growth of 19% to 20% in value terms. And in steel as well, volume growth will be about 20% -- 22% and in value terms, 30% plus growth will be there.

Raj Mehta: Sir, this growth is coming because of your -- because last year when your June quarter was there, then you had SAP implementation, or you had some accounting issue, you faced problem for a couple of months, because of that your base effect is very low. Because of that, you see Y-o-Y very high growth. But when I compare quarter-on-quarter, your margin is in pressure, your volume, your sales in value terms, is also under pressure.

So, these external reasons coming in, those can be understood for specific exports, but for domestic, if you see steel division specifically. If you are thinking to demerge it going ahead, so if you see steel division, your quarter-on-quarter impact also is very high when you compare with competitors. So, your ROCE, ROE is coming in mid-teens. So, how can we become a value-creator for shareholders, because for the last 4 years, it has been stagnant, sir?

Raju Bista: See, first, regarding what you mentioned about volume, the impact of last year was on positive note on that, because in last year's Q1, there were issues in volume due to ERP (SAP). So, despite that, this is our highest ever Q1 sales volume in number one.

Number two, capacity expansion work has already been happening quite a bit in the last 1.5 years, and by the end of this year, more additional volume is coming. And because of all these reasons, in the coming time, you will see that growth in volume, and there will be no disappointment.

Raj Mehta: Sir, second my question was that we are increasing value-added products in our mix. So, as you said, from 42% -- 43% to 47% value-added products mix is coming. So, when you reach up to 50%, sir, steel pricing impact, the fluctuation -- so in those fluctuations as well, still 50% our -- even if you are increasing 3% -- 4% value-added products, so from that, our constantly fluctuation will remain in numbers based on the pricing of the steel.

So, what is our motive, because if you see competitors as well, everyone is shifting from here to value-added products more, because they don't want to keep this inventory loss/gain issue in fluctuation. So, what are we doing additionally that our vision in next 5 years is such that we reach this 40%--50% value-added to 60%, 70%, 80%?

Raju Bista: See, our one main thrust where we get impact, that comes on our manpower per ton cost, we are working on that, and our cost, almost 20% we will reduce in the next one year, that is one. And number two, see, as far as steel fluctuation is concerned, that is not in our control. And even having sold pipe for 50 years -- in 50 years, it has gone on like this.

So ahead, steel prices will remain in our control, this I don't think, but that's why what we -- as I told you segment-wise about our volume -- so about 75% plus to 80% our business remains fixed, so sometimes it falls, sometimes it rises, overall, in the full year it averages out and thus there is no major negative impact in case of Surya Roshni.

So, we try that, because 24 hours our job is to sell pipe. As investor, your role is that how we make maximum earnings, so for us, the means to earn is steel. So, 24 hours we think about this, so as the market remains, according to that we mold ourselves as well.

Raj Mehta: Okay. And sir, second thing I was asking that going forward, your next capacity expansion that happened, now same -- we, in future outlook, in next 5 years, what is our vision? As you were saying, in current year, you are focusing on growth, and volume growth and all this you are seeing on-ground. So next 5 years horizon, how is it?

Are you wanting to grow at 10%-15% CAGR, or will you accelerate it to grow at 20%-25% CAGR, so that you can gain market share from other competitors? And one more thing in that is, like APL Apollo, they are de-growing base commodity steel pipe and focusing on value-added products. So, can this be an opportunity for us as well, that we gain market share from there and increase our EBITDA spread a bit in general section as well?

Raju Bista: Focus of ours is also in section pipes, that's why whatever expansion is going on in three plants, that is fully on DFT and on section pipes, number one. And number two, in the next 5 years, 15% to 18% CAGR we will have to maintain because cost will also push quite a bit, so to keep that in control as well, so we are already working on that roadmap..

And I feel Surya Roshni has more opportunity in terms of growing, and to encash that, we have moved forward to undertake greenfield projects as well.. By the next board meeting, that clarity will come, then we will inform you as well. To strengthen our regional presence further, we are working.

Moderator: Sorry to interrupt, Mr. Raj. May we request you to rejoin the queue, as there are several participants waiting for their turn.

Raj Mehta: Okay.

Moderator: Thank you. We have our next question from the line of Saket Kapoor from Kapoor & Co. Please go ahead.

Saket Kapoor: Yes, sir. Namaskar, sir. Thanks for all the detailed information. Sir, my both questions I keep before you. One, sir, the volume addition you are doing in pipe segment from the existing 14 lakh tons to 16 lakh tons, what is the capex required for that?

And sir, the EBITDA guidance you have given, what will be our lighting business and pipe business mix? Can you tell that for the full fiscal year and as well as for first quarter, how much it was? This two information, sir.

Raju Bista: Regarding capacity, around INR100 crore investment is there in that, and we are doing it from internal accruals. And what you asked about lighting steel, in lighting, throughout the year, INR2,200 crore turnover, as I mentioned in earlier con-call as well, on that we have maintained our numbers, and 20% to 22% growth will be there. Last year INR1,809 crore sales was there, this year INR2,200 crore sales will be there, and around INR200 crore EBITDA we will do in lighting division.

And as for steel division, I have already told you, and company as a whole, for the year, the numbers we told you earlier, we are holding ourselves on that same number, around INR9,400 crore to INR9,500 crore total revenue, and INR670 crore to INR680 crore EBITDA company as a whole, Surya Roshni, will do.

Saket Kapoor: Yes, sir. Sir, thank you for the information, sir. In lighting business, do you do contract manufacturing...

Moderator: Sorry to interrupt you, Mr. Saket. May we request you to rejoin the queue?

Saket Kapoor: Ask him to clear this point.

Raju Bista: Yes. Please ask, sir.

Saket Kapoor: Sir, I just wanted to ask in lighting business, how much percentage is through contract manufacturing and how much in-house?

Raju Bista: Mostly where we have specialty, we do that in-house ourselves. And some products where doing in-house leads to a loss, so make-or-buy, we internally we evaluate and see. Around 20% is outsourced, 80% is our in-house.

Saket Kapoor: Okay. Thank you, sir.

Raju Bista: And whatever is outsourced, that also we control; from quality control to production, our own line people remain there, and mostly 80% of whatever material comes from outside is also made exclusively for Surya Roshni. So basically, they are also our extended plant only.

Saket Kapoor: Okay. Thank you, sir.

Moderator: Thank you. Ladies and gentlemen, we will take that as the last question for the day. I now hand the conference over to Mr. B. B. Singal for closing comments. Thank you, and over to you, sir.

B. B. Singal: Thank you, everyone, for joining us today on this earning call. 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, if any, you can contact SGA, our Investor Relations Advisors. Thank you once again.

Moderator: Thank you, sir. On behalf of Surya Roshni Limited, that concludes this conference call. Thank you for joining us, and you may now disconnect your lines.