

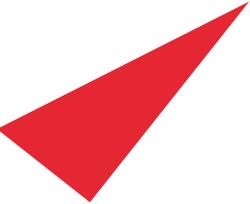


# Quarterly Results Pick



**Surya Roshni Ltd.**

**Nov 12, 2025**



Industry	LTP	Recommendation	Base Case Fair Value	Bull Case Fair Value	Time Horizon
Steel Pipes & Consumer Durables	Rs 300.1	Buy in Rs 296-305 band and add on dips in Rs 266-274 band	Rs 327	Rs 354	2-3 quarters

HDFC Scrip Code	SURROSEQNR
BSE Code	500336
NSE Code	SURYAROSNI
Bloomberg	SYR:IN
CMP Nov 11, 2025	249.2
Equity Capital (Rs Cr)	108.8
Face Value (Rs)	5
Equity Share O/S (Cr)	21.8
Market Cap (Rs Cr)	6529
Book Value (Rs)	113
Avg. 52 Wk Volumes	503551
52 Week High	359
52 Week Low	205

Share holding Pattern % (Sep, 2025)	
Promoters	62.47
Institutions	6.61
Non Institutions	30.92
Total	100



\* Refer at the end for explanation on Risk Ratings

**Fundamental Research Analyst**  
 Rishab A Jain  
[rishab.jain@hdfcsec.com](mailto:rishab.jain@hdfcsec.com)

### Our Take:

Surya Roshni was founded in 1973 as Prakash Tubes Private Limited, with a steel pipe manufacturing unit in Bahadurgarh (Haryana), and expanded its portfolio by venturing into lighting product manufacturing in 1984. Later, in 2010, it further diversified into PVC pipes and expanded into consumer durables, such as fans and home appliances in 2014-15. In the steel pipes and strips segment, the company manufactures a diverse range of products used across agriculture, infrastructure, oil & gas, water and construction sectors. The Company's facilities are strategically located in Bahadurgarh (Haryana), Malanpur near Gwalior (Madhya Pradesh), Hindupur (Andhra Pradesh), Anjar (Gujarat), and Kashipur (Uttarakhand). The Company holds the distinction of being India's largest manufacturer of GI pipes and the largest exporter of ERW

pipes. The Company's oil & gas sector offerings have earned approval from the American Petroleum Institute (API). The company stands to benefit from evolving opportunities across its end-user segments in India and worldwide, in regions such as the Middle East, Europe, Africa, and Asia. The 3LPE coating line, will further allow the company to address the opportunities in the Oil & Gas and City Gas Distribution sector. In the lighting and consumer durables segment, Surya Roshni offers a wide range of products, including LED lamps, LED streetlights, LED battens, general lighting service (GLS) lamps and high-intensity discharge (HID) lamps. The Company's consumer durable business encompasses a variety of fans and home appliances, steadily broadening its footprint in the Fast-Moving Electrical Goods (FMEG) space. The Company's strong dealer and distributor network allows it to reach across the nation, especially into the tier II, tier III and rural areas. The company has been ranked the second-largest lighting manufacturing company in India.

### Valuation & Recommendation:

Surya Roshni is well positioned for sustained growth in FY26, backed by a confident outlook across its Lighting & Consumer Durables and Steel Pipes segments. Management targets full-year revenue of around Rs. 1,980 cr and EBITDA of approximately Rs. 180 cr in Lighting & Consumer Durables, driven by strong festive and winter-season demand, particularly in the second half. This segment benefits from rising contribution of value-added products, innovation such as digital water heaters, capacity expansions, and ongoing cost efficiencies. Strategic investments in captive solar power and PLI-linked manufacturing further enhance competitiveness and margin potential.

In the Steel Pipes business, the company anticipates a calibrated volume of about 10 lakh tons for FY26, supported by a robust Rs. 750 cr order book and strong export demand. Capacity utilisation remains healthy at 80%, while operational efficiencies and a rising share of value-added products bolster profitability. Strategic cost optimisation and solar power installations reduce fixed costs and enhance sustainability. The company's focus on deepening product mix quality, leveraging new capacities, and expanding distribution channels underpins expectations for improving returns on capital and sustained earnings growth. Broader industry outlook for steel pipes in India remains positive

with growth fueled by infrastructure development and expanding oil & gas projects, reinforcing the company's favorable position for the coming year. SRL is a zero long-term debt company with improved capacity utilisation and cost rationalisation. On account of the above reasons along with focus on capacity expansion and technological advancements, SRL is positioned well to meet the increasing market demand, particularly in the water infrastructure and energy sectors. **We think the base case fair value of the stock is Rs.327 (11.5x FY28E EPS) and the bull case fair value is Rs.354 (12.4x FY28E EPS) over the next 2-3 quarters. Investors can buy the stock in the band of Rs 296-305 (10.6x FY28E EPS) and add more on dips to the band of Rs. 266-274 (9.5x FY28E EPS).**

### Q2FY26 Result Review:

Consolidated Performance: Revenue was up 20.7% YoY to Rs.1845.2 cr. EBITDA for the quarter came in at Rs. 118.3 cr compared to Rs. 76.3 cr in Q2FY25, up 55% YoY, with EBITDA margins of 6.4%. Profit after tax grew by 117% YoY to Rs. 74 cr, with a PAT margin of 4%. Net working capital was ~ 63 days with a total cash surplus of Rs. 246 cr in H1FY26. Board of Directors approved an Interim Dividend of Rs. 2.50 per share.

Steel Pipes and strips segment: Steel Pipe and Strips segment reported strong sequential and YoY growth in revenue and profitability, led by higher volumes, better realizations and improved product mix. EBITDA more than doubled YoY to Rs.102 cr.

Overall volumes grew by 26% YoY, supported by 45% volume growth in exports on strong pre-buying from Europe and Canada ahead of CBAM and quotas implementation respectively, while domestic volumes witnessed growth of about 22% YoY.

EBITDA per ton improved sharply to Rs. 5,013, up 73% YoY & 72% sequentially, reflecting higher efficiencies and pricing discipline. Capacity utilization stood at about 80%. The company has an Order Book of about Rs. 750 cr in hand for the Oil & Gas sector, the Water Sector and the Exports business.

The Lighting and Consumer Durables segment: This segment delivered a healthy 10% YoY revenue growth in Q2FY26, led by strong volume traction in LED Lamps (+37%), Battens (+36%), Downlighters (+22%), and Streetlights (+104%), aided by improved festive season demand. EBITDA margins expanding to 9.0% from 7.7% in Q1FY26, helped by operational efficiencies and better product mix, despite continued pricing pressure in LEDs.

The Professional Lighting business grew 25% YoY in Q2FY26, supported by healthy demand across solar, façade, industrial and outdoor segments and continues to maintain a robust order book of over Rs. 125 cr with strong execution visibility.

New growth drivers & initiatives gained traction, with the successful launch of the digital water heater, in-house manufacturing of exhaust fans and induction appliances and strong initial market response to the domestic wires business, which remains on track to achieve its ₹150 crore revenue target for FY26.

### Concall takeaways:

- SRL saw enhanced channel activity and strong Diwali sales in consumer durables/appliances segment. Company has been increasing its focus on R&D for continuous innovation on categories of products, packaging etc.

- Within product categories, API price grew by 86% YoY, supported by robust demand while cold rolling and strip segment continue to perform well following the commissioning of new Bahadurgarh mill. However, the demand from GI pipe was largely catered to the agriculture segment and was impacted by the extended monsoon and delay in government fund releases, particularly to state agencies, which slow rural and infrastructure project execution.
- Products in the consumer durables segment have increased in price and the same has been passed on to the consumers as with industry-wide acceptance.
- Despite some pressure from falling steel price in July, inventory was efficiently managed and an inventory loss of about Rs. 500 per ton was largely offset through higher operating efficiency and realization. SRL achieved the highest ever second quarter volume in the company's history of steel segment from an operational standpoint, capacity utilization stood at about 80% during the quarter.
- Ongoing investments under the PLI scheme, completion of 3 MW captive solar capacity, and in-house manufacturing expansion are expected to yield further cost savings and enhance competitiveness in the coming quarters.

### Key Risks:

**Raw Material Prices:** As the company manufactures steel pipes, it is highly exposed to fluctuations in steel prices. In case of an adverse demand-supply scenario, the inability to pass on the raw material price hike to its buyers could adversely impact its profitability.

**Working capital intensive:** SRL's business remains working-capital intensive, with a high inventory holding exposing the profitability to the volatility in raw material prices.

**Price erosion in LED segment:** Continued decline in LED prices could pressure margins if competitive intensity rises again or demand weakens, despite recent moderation in erosion.

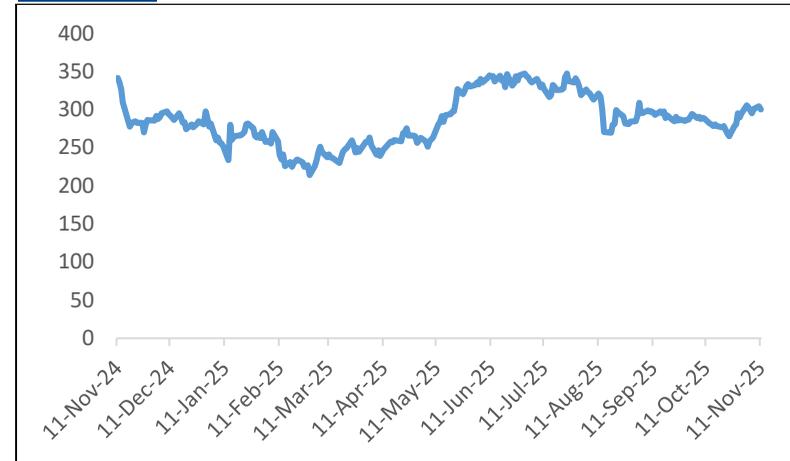
**Competition:** Given the low entry barriers of the ERW pipes industry and lighting and consumer durables, company faces stiff competition from large diversified and established players along with many unorganized players too.

### Financial Summary:

(Rs cr)	Q2FY26	Q2FY25	YoY (%)	Q1FY26	QoQ (%)	FY24	FY25	FY26E	FY27E	FY28E
Operating Income	1845.2	1528.9	20.7	1604.5	15.0	7,809	7,436	8,500	9,909	10,928
EBITDA	118.3	76.3	55.0	76.2	55.2	572	579	655	842	983
APAT	74.2	34.1	117.4	33.6	120.8	329	347	387	527	618
Diluted EPS (Rs)	3.4	1.6	117.4	1.5	120.8	15.2	15.9	17.8	24.2	28.4
RoE-%						16.3	15.0	14.9	17.9	18.1
P/E (x)						19.8	18.8	16.9	12.4	10.6
EV/EBITDA						11.4	10.8	9.5	7.2	5.8

(Source: Company, HDFC sec)

**Price chart**



(Source: Company, HDFC sec)

## **HDFC Sec Prime Research Rating description**

### **Green Rating stocks**

This rating is given to stocks that represent large and established business having track record of decades and good reputation in the industry. They are industry leaders or have significant market share. They have multiple streams of cash flows and/or strong balance sheet to withstand downturn in economic cycle. These stocks offer moderate returns and at the same time are unlikely to suffer severe drawdown in their stock prices. These stocks can be kept as a part of long term portfolio holding, if so desired. These stocks offer low risk and lower reward and are suitable for beginners. They offer stability to the portfolio.

### **Yellow Rating stocks**

This rating is given to stocks that have strong balance sheet and are from relatively stable industries which are likely to remain relevant for long time and unlikely to be affected much by economic or technological disruptions. These stocks have emerged stronger over time but are yet to reach the level of green rating stocks. They offer medium risk, medium return opportunities. Some of these have the potential to attain green rating over time.

### **Red Rating stocks**

This rating is given to emerging companies which are riskier than their established peers. Their share price tends to be volatile though they offer high growth potential. They are susceptible to severe downturn in their industry or in overall economy. Management of these companies need to prove their mettle in handling cyclicity of their business. If they are successful in navigating challenges, the market rewards their shareholders with handsome gains; otherwise their stock prices can take a severe beating. Overall these stocks offer high risk high return opportunities.

### **Rating Criteria**

Buy - > 15%+ return potential

Add - +5% to +15% return potential

Reduce - -10% to +5% return potential

Sell - >10% downside return potential

## Disclosure:

I, **(Rishab Jain)**, Research Analyst, **(MBA)**, author and the name subscribed to this report, hereby certify that all of the views expressed in this research report accurately reflect our views about the subject issuer(s) or securities. SEBI conducted the inspection and based on their observations have issued advise/warning. The said observations have been complied with. We also certify that no part of our compensation was, is, or will be directly or indirectly related to the specific recommendation(s) or view(s) in this report.

Research Analyst or his/her relative or HDFC Securities Ltd. **does not have** any financial interest in the subject company. Also Research Analyst or his relative or HDFC Securities Ltd. or its Associate may have beneficial ownership of 1% or more in the subject company at the end of the month immediately preceding the date of publication of the Research Report. Further Research Analyst or his relative or HDFC Securities Ltd. or its associate **does not have** any material conflict of interest.

## Any holding in stock – No

HDFC Securities Limited (HSL) is a SEBI Registered Research Analyst having registration no. INH000002475.

## Disclaimer:

This report has been prepared by HDFC Securities Ltd and is solely for information of the recipient only. The report must not be used as a singular basis of any investment decision. The views herein are of a general nature and do not consider the risk appetite or the particular circumstances of an individual investor; readers are requested to take professional advice before investing. "This report may have been refined using AI tools to enhance clarity and readability." Nothing in this document should be construed as investment advice. Each recipient of this document should make such investigations as they deem necessary to arrive at an independent evaluation of an investment in securities of the companies referred to in this document (including merits and risks) and should consult their own advisors to determine merits and risks of such investment. The information and opinions contained herein have been compiled or arrived at, based upon information obtained in good faith from sources believed to be reliable. Such information has not been independently verified and no guaranty, representation of warranty, express or implied, is made as to its accuracy, completeness or correctness. All such information and opinions are subject to change without notice. Descriptions of any company or companies or their securities mentioned herein are not intended to be complete. HSL is not obliged to update this report for such changes. HSL has the right to make changes and modifications at any time.

This report is not directed to, or intended for display, downloading, printing, reproducing or for distribution to or use by, any person or entity who is a citizen or resident or located in any locality, state, country or other jurisdiction where such distribution, publication, reproduction, availability or use would be contrary to law or regulation or what would subject HSL or its affiliates to any registration or licensing requirement within such jurisdiction.

If this report is inadvertently sent or has reached any person in such country, especially, United States of America, the same should be ignored and brought to the attention of the sender. This document may not be reproduced, distributed or published in whole or in part, directly or indirectly, for any purposes or in any manner.

Foreign currencies denominated securities, wherever mentioned, are subject to exchange rate fluctuations, which could have an adverse effect on their value or price, or the income derived from them. In addition, investors in securities such as ADRs, the values of which are influenced by foreign currencies effectively assume currency risk. It should not be considered to be taken as an offer to sell or a solicitation to buy any security.

This document is not, and should not, be construed as an offer or solicitation of an offer, to buy or sell any securities or other financial instruments. This report should not be construed as an invitation or solicitation to do business with HSL. HSL may from time to time solicit from, or perform broking, or other services for, any company mentioned in this mail and/or its attachments.

HSL and its affiliated company(ies), their directors and employees may; (a) from time to time, have a long or short position in, and buy or sell the securities of the company(ies) mentioned herein or (b) be engaged in any other transaction involving such securities and earn brokerage or other compensation or act as a market maker in the financial instruments of the company(ies) discussed herein or act as an advisor or lender/borrower to such company(ies) or may have any other potential conflict of interests with respect to any recommendation and other related information and opinions.

HSL, its directors, analysts or employees do not take any responsibility, financial or otherwise, of the losses or the damages sustained due to the investments made or any action taken on basis of this report, including but not restricted to, fluctuation in the prices of shares and bonds, changes in the currency rates, diminution in the NAVs, reduction in the dividend or income, etc.

HSL and other group companies, its directors, associates, employees may have various positions in any of the stocks, securities and financial instruments dealt in the report, or may make sell or purchase or other deals in these securities from time to time or may deal in other securities of the companies / organizations described in this report. As regards the associates of HSL please refer the website.

HSL or its associates might have managed or co-managed public offering of securities for the subject company or might have been mandated by the subject company for any other assignment in the past twelve months.

HSL or its associates might have received any compensation from the companies mentioned in the report during the period preceding twelve months from the date of this report for services in respect of managing or co-managing public offerings, corporate finance, investment banking or merchant banking, brokerage services or other advisory service in a merger or specific transaction in the normal course of business.

HSL or its analysts did not receive any compensation or other benefits from the companies mentioned in the report or third party in connection with preparation of the research report. Accordingly, neither HSL nor Research Analysts have any material conflict of interest at the time of publication of this report. Compensation of our Research Analysts is not based on any specific merchant banking, investment banking or brokerage service transactions. HSL may have issued other reports that are inconsistent with and reach different conclusion from the information presented in this report.

Research entity has not been engaged in market making activity for the subject company. Research analyst has not served as an officer, director or employee of the subject company. We have not received any compensation/benefits from the subject company or third party in connection with the Research Report.

Please note that HDFC Securities has a proprietary trading desk. This desk maintains an arm's length distance with the Research team and all its activities are segregated from Research activities. The proprietary desk operates independently, potentially leading to investment decisions that may deviate from research views.

**HDFC securities Limited, I Think Techno Campus, Building - B, "Alpha", Office Floor 8, Near Kanjurmarg Station, Opp. Crompton Greaves, Kanjurmarg (East), Mumbai 400 042 Phone: (022) 3075 3400 Fax: (022) 2496 5066**

**Compliance Officer: Murli V Karkera Email: [complianceofficer@hdfcsec.com](mailto:complianceofficer@hdfcsec.com) Phone: (022) 3045 3600**

**For grievance redressal contact Customer Care Team Email: [customercare@hdfcsec.com](mailto:customercare@hdfcsec.com) Phone: (022) 3901 9400**

**HDFC Securities Limited, SEBI Reg. No.: NSE, BSE, MSEI, MCX: INZ000186937; AMFI Reg. No. ARN: 13549; PFRDA Reg. No. POP: 11092018; IRDA Corporate Agent License No.: CA0062; SEBI Research Analyst Reg. No.: INH000002475; SEBI Investment Adviser Reg. No.: INA000011538; CIN - U67120MH2000PLC152193**

Investment in securities market are subject to market risks. Read all the related documents carefully before investing.

Mutual Funds Investments are subject to market risk. Please read the offer and scheme related documents carefully before investing.

Registration granted by SEBI, membership of BASL (in case of IAs) and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.