Surya Roshni Limited

July 08, 2026

Facilities/Instruments	Amount (₹ crore)	Rating[1]	Rating Action
Long-term bank facilities	349.00	CARE AA; Stable	Reaffirmed
Short-term bank facilities	651.00	CARE A1+	Reaffirmed

Details of instruments/facilities in Annexure-1.

The list of facilities / instruments falling under the purview of financial sector regulators (FSRs), along with the names of respective FSRs has been disclosed under Annexure-7.

Rationale and key rating drivers

Reaffirmation of ratings assigned to bank facilities of Surya Roshni Limited (SRL) continues to factor the company's healthy financial risk profile, marked by healthy capital structure and strong liquidity position (net debt negative) emanating from the operating cash flows of the company. The ratings continue to factor the extensive experience of the promoters and management in steel pipes and lighting businesses, the company's long track record of operations as being one of the dominant players in the domestic Electric Resistance Welded (ERW) pipes manufacturing industry. The ratings further draw strength from the established market position of SRL, with an extensive nation-wide presence and strong brand recall, for both of its businesses (steel pipes and lighting businesses). In the lighting segment, the company has diversified its product profile over the past few years, which has also supported the improvement in revenue and profitability in this segment. In FY26 (FY refers to from April 01 to March 31), the lighting division recorded a total operating income (TOI) of ~₹1,809 crore (PY FY25: ₹1,690 crore) and a profit before interest, lease, depreciation, and tax (PBILDT) margins of ~8.62%. (PY:9.61%).

In the last three fiscals, the company has sustained a return on capital employee (ROCE) above 20% with FY26 being an exceptional year, considering lower dispatches in Q1FY26 as a result of technical upgradation in plant and also due to impact on exports in Q4FY26, owing to the West Asian crisis. The company's overall gearing and net debt/PBILDT though remain comfortable owing to very negligible reliance on external borrowings. SRL's TOI has increased at a compounded annual growth rate (CAGR) of ~6.19%, from FY21 to FY26 (FY refers to April 01 to March 31), while profitability (profit after tax [PAT]) has grown at a CAGR of ~12.71% in the same period.

CARE Ratings Limited (CareEdge Ratings) also favourably considers the management's philosophy going ahead towards minimal reliance on outside liability. Going forward, CareEdge Ratings believes SRL shall continue to sustain its healthy growth in volumes in both the verticals, which should lead to improvement in TOI. Leverage and coverage profile is also expected to sustain in the absence of large debt-funded capex plans in the medium term. According to the management, further capex plans pertaining to setting up of new Direct Forming Technology (DFT) mills with a capacity of ~3.3 lakh tonne per annum, are likely to be entirely funded through internal accruals only.

However, ratings continue to remain constrained by SRL's exposure to raw material price volatility in the steel business, competitive product pricing pressure from cheap Chinese imports in lighting and appliances segment, and its working capital intensive operations.

Rating sensitivities: Factors likely to lead to rating actions

Positive factors

- Sustained improvement in scale of operations for the company, and sustenance of ROCE above 25%.

Negative factors

- Decline in the TOI to below ₹6,000 crore or decline in ROCE below 15% on a sustained basis.
- Deterioration in overall gearing over 0.20x.
- Elongation in the operating cycle and resultant weakening of liquidity position from existing levels.

[1]Complete definition of ratings assigned are available at www.careratings.com and other CARE Ratings Limited's publications.

Analytical approach: Standalone

Outlook: Stable

Stable outlook reflects CareEdge Ratings' expectation that the company will continue to grow its business operations as envisaged, while maintaining its profitability levels. The stable outlook also factors in sustenance of lower debt levels and absence of any significant debt-funded expansion plans. The company's financial risk profile is expected to remain strong amidst existing strong liquidity position and continuing healthy cash flow generation from operating activity.

Detailed description of key rating drivers:

Key strengths

Established brand with diversified product portfolio and wide marketing network

SRL has established brand names of 'Prakash Surya' and 'Surya' for its two business segments, steel pipes and strips, and lighting and consumer durables, respectively. The company is one of the leading players in both the segments with ~2,500 dealers/distributors and over 250,000 retailers spread across the country for the lighting segment and 21,000 dealers and ~250 major distributors in the steel pipe segment to augment its market reach. The diversified product portfolio includes ERW steel tube pipes (SRL being the largest exporter from India in this segment), galvanised iron (GI) pipes, hollow section pipes, API coated pipes, and spiral pipes manufactured through strategically plants at Gwalior (Madhya Pradesh), Hindupur (Andhra Pradesh), Bahadurgarh (Haryana), and Anjar (Gujarat) to cater to supplies to different parts of the country. The company also exports its lighting products and API-certified pipes to over 50 countries around the world. Exports contributed ~13.89% of gross sales in FY26 (PY: ~13.80%).

Integrated lighting operations

The company has an integrated manufacturing facility for the entire range of lighting products (LED and conventional lighting), which find application in domestic, industrial, and commercial segments. SRL has an in-house capability to manufacture lighting products from scratch, including glass, printed circuit boards (PCBs), ballasts, filaments, and caps. The company also has in-house research & development (R&D) laboratory at Noida (Uttar Pradesh), accredited by the Department of Scientific and Industrial Research (DSIR), which is involved in design and development of new products in the lighting segment. This high level of integration helps the company to achieve better control over the entire value chain, and thus, results in better competitive strengths and profitability margins. The growing demand for LEDs supported by development of smart cities and reduced dependence on China for components is expected to boost operations of larger domestic players, including SRL.

Sustained improvement in operational performance

SRL's TOI has increased at a CAGR of ~6.19%, from FY21 to FY26 (FY refers to April 01 to March 31), while profitability (PAT has improved at a CAGR of ~12.71% in the same period). The company reported healthy operational performance with TOI of ₹7,540 crore in FY26 against ₹7,435 crore in FY25. The profitability as demonstrated by PBILDT/tonne in steel division moderated in FY26 at ₹3,687 (PY: ₹4,738) due to temporary disruptions in operations in Q1FY26, and there has been a significant decrease in release of funds for government projects like Jal Jeevan Mission as well as One Nation One Gas Grid. The PBILDT margin in the lighting and consumer durable segment stood 8.62% in FY26 (PY: 9.61%), due to continuous price erosion being witnessed from Chinese players, however, due to better product mix and focussing on premium products segment it is expected to recover.

The company has an order book of ~₹1300 crore for steel division (PY: ~₹1,500 crore) and ~₹330 crore for lighting division (PY: ~₹150 crore) as on June 23, 2026, which provides healthy revenue visibility in the short-to-medium term.

Strong financial risk profile

With healthier cash accruals backed by higher contribution from value-added products, SRL has been able to significantly reduce its debt from ~₹1,000 crore in FY21 to ₹145 crore (inclusive of letter of credit [LC]acceptances) in FY26. The company has remained net debt negative from the past two fiscals. Healthy accretion of profits to net worth has resulted in improvement in the company's overall gearing (including acceptances) to 0.06x as on March 31, 2026. The company's interest coverage ratio stood healthy at 17.67x in FY26, due to significant reduction in the interest cost in line with the reduction in total debt (TD) over the years, and healthy operating profit. The company's TD/PBILDT ratio improved to 0.16x as on March 31, 2026, which tend to remain above 2.00x until FY22. Going forward, as per SRL's management, the company's reliance on debt will continue to remain low while proposed capex in the near-to-medium term will be largely funded through internal accruals.

Experienced promoters and long track record of the company

The company has been in the steel business since 1973 and diversified into the lighting business in 1985. The company's promoter and executive chairman, J P Agarwal, has a rich experience of over four decades in the industry and has been conferred Padma Shri for his services in the field of trade and industry by the Government of India. SRL has two managing directors, Raju Bista and Vinay Surya, overseeing management teams controlled by separate heads of respective businesses being steel pipes and lighting and consumer durables, who are supported by teams consisting of experienced professionals.

Stable industry prospects

The major growth drivers for the steel pipes industry, include demand emanating from domestic water infrastructure, oil and gas transportation, construction, irrigation, infrastructure, and expansion of gas pipelines, such as national gas grid and city gas distribution. The industry has witnessed consolidation with increasing dominance of larger players, especially in ERW segment, which has been the most fragmented segment historically. CareEdge Ratings notes that the demand prospects remain stable in the lighting segment as well.

Key weaknesses

Exposure to raw material price volatility risk in steel pipes segment

The company is engaged in manufacturing steel pipes, which is an inherently limited value addition business, although the proportion of value-added products has been increasing y-o-y. The main raw material for the steel pipe segment of SRL is HR coils, prices of which are volatile. Although the company, being a converter of raw material to finished goods, is able to pass on the fluctuation in raw material prices in the final product, with a time lag. Due to the nature of business, SRL is partially exposed to price volatility risk on its inventory, which may adversely impact margins. However, a part of its steel pipe business is backed by confirmed orders, which mitigate the inventory price fluctuation risk to some extent. The healthy product diversification due to GI pipes, presence in exports, and lighting segment lend stability to the company's revenue stream and overall profitability. However, the lighting segment, which comprise almost ~20 to 24% of the company's sales turnover, is exposed to pricing pressure from cheap Chinese imports. To minimise this, ~50% of the sales of the company comprise of pre-specified order, which balance 50% of the sale comprise of sale to dealerships, where elevated prices are passed on dealership networks.

Highly cyclical nature of business

The company's business remains highly cyclical in nature and significantly depends on government-led infrastructure spending and policy-driven demand. A large portion of revenue is linked to projects, such as water supply schemes and public infrastructure initiatives, which are subject to uneven fund allocation, execution delays, and changing budget priorities. As a result, demand visibility can fluctuate sharply across cycles, with periods of strong growth followed by moderation when government capex slows. This dependence on timely infrastructure push and budgetary support makes the business sensitive to macroeconomic conditions and government spending cycles, impacting volume stability and margin predictability.

Intense competition

The company's ERW pipes segment was historically dominated by few established market players. However, owing to limited value addition there has been significant increase in capacity from unorganised players as well in the industry. This competitive landscape and economies of scale limits pricing flexibility. Until now, SRL has managed the competition risk with capex deployment towards diversification and value addition of its product profile, which has helped the company to maintain its market position.

In the lighting division, the company faces intense competition from domestic and international players. The Indian market is saturated with branded and non-branded products, further compounded by the influx of cost-competitive offerings from China, which significantly impacts pricing dynamics.

Working capital intensive nature of business operations

SRL has a working capital intensive business operation owing to the large inventory that the company has to maintain for raw material and finished goods. The company purchases most of its raw material on a cash/LC basis, while it provides a credit of 30 to 45 days to its customers. The management is of a philosophy for entering only into pre-approved government contracts, which ensures timely payments to SRL. Better working capital management reduces the reliance on bank finance. The management has been able to significantly reduce its reliance on outside liability towards funding its working capital requirements, however, despite being net debt negative, working capital utilisation levels continues to remain on heightened levels. For 12 trailing months ending April 2026, average utilisation for fund based facilities remained above 50% while for non-fund based limits, average utilisation for the same period stood at ~55%.

Liquidity: Strong

SRL's liquidity position is strong marked by healthy generation of cash accruals against nil debt repayment obligations. The company is net debt negative from the past two fiscals. It has healthy cushion available in terms of un-utilised working capital limits to meet uncertain events and to fund its near-to-medium capex plans. The company envisage a capex outflow of ~₹155 crore in FY27. As of March 31, 2026, the company holds cash and liquid investments of ~₹450 crore. CareEdge Ratings expects the company to maintain a healthy operational profitability of ~₹600 crore, which will be adequate to support business plans or any short-term exigencies in the near term. The company plans to incur capex to the tune of ~₹480 crore over the next three fiscal year, of which ~₹250 crore will be a pure greenfield expansion plan (which is at a planning stage). This capex of ~₹480 crore is expected to be met through internal accruals.

Environment, social, and governance (ESG) risks

SRL's manufacturing processes have an impact on the environment through its waste generation, power consumption, and raw material sourcing. The company has taken initiatives to address environmental issues. In lighting manufacturing processes, high energy consumption equipment has been replaced with cost-effective energy-efficient equipment. It aims to reduce CO_2 emissions, in sync with its approach towards building a sustainable ecosystem through efficient energy consumption and optimum utilisation of natural resources, such as solar and renewable energy. The company is managed by professional board of directors, who have extensive experience in industry. The Board comprises 12 directors, including two women directors. Independent directors constitute 50% of total number of directors on the board.

Applicable criteria

Definition of Default
Liquidity Analysis of Non-financial sector entities
Rating Outlook and Rating Watch
Manufacturing Companies
Financial Ratios – Non financial Sector
Short Term Instruments

About the company and industry

Industry classification

Macroeconomic indicator	Sector	Industry	Basic industry
Industrials	Capital goods	Industrial products	Iron and steel products

SRL was incorporated in 1973 for manufacturing ERW pipes, sold under the brand name of 'Prakash-Surya'. In 1985, SRL diversified into lighting products with manufacturing general lighting systems (GLS) and fluorescent tube lamps (FTL) sold under brand name 'Surya' and started production of compact fluorescent lamps (CFLs) in 2007. SRL currently operates in two operational business divisions, Steel Pipes & Strips division and Lighting & consumer durables division. The lighting division mainly manufactures GLSs and entered manufacturing CFLs in FY07, post which the company entered LED lighting. Apart from this, the lighting division also has a luminaries segment, which consists of lights for industrial and commercial applications like high mast, and induction lamps, etc. The company has an installed capacity of 115.2 million LED lamps, 28 million FTLs, and 162 million GLS lamps as on March 31, 2026.

The steel division mainly manufactures ERW steel pipes (American Petroleum Institute [API] and non-API standard) and cold rolled (CR) strips. In the steel division, SRL has an installed capacity of 961,000 MT of ERW pipes and 2 lakh MT of spiral pipes as on March 31, 2026, for varied sizes and 115,000 MT for CR strips and sheets.

Brief Financials (₹ crore)	March 31, 2025 (A)	March 31, 2026 (A)	Q1FY27 (UA)
Total operating income	7,435.22	7,539.83	-
PBILDT*	581.38	489.43	-
Profit after tax (PAT)	348.40	285.61	-
Overall gearing (x)	0.02	0.06	-
Interest coverage (x)	28.05	17.67	-

A: Audited; UA: Unaudited; Note: These are latest available financial results.
*PBILDT: Profit before interest, lease rentals, depreciation, and tax

Status of non-cooperation with previous CRA: Not applicable

Any other information: Not applicable

Rating history for last three years: Annexure-2

Detailed explanation of covenants of rated instrument / facility: Annexure-3

Complexity level of instruments rated: Annexure-4

Lender details: Annexure-5

Annexure-1: Details of instruments/facilities

Name of the Instrument	ISIN	Date of Issuance (DD-MM-YYYY)	Coupon Rate (%)	Maturity Date (DD-MM-YYYY)	Size of the Issue (₹ crore)	Rating Assigned and Rating Outlook
Fund-based - LT-Cash Credit	-	-	-	-	149.00	CARE AA; Stable
Non-fund-based - ST-Credit Exposure Limit	-	-	-	-	20.00	CARE A1+
Non-fund-based-Long Term	-	-	-	-	200.00	CARE AA; Stable
Non-fund-based-Short Term	-	-	-	-	631.00	CARE A1+

Annexure-2: Rating history for last three years

Sr. No.	Name of the Instrument/Bank Facilities	Current Ratings			Rating History			
		Type	Amount Outstanding (₹ crore)	Rating	Date(s) and Rating(s) assigned in 2026-2027	Date(s) and Rating(s) assigned in 2025-2026	Date(s) and Rating(s) assigned in 2024-2025	Date(s) and Rating(s) assigned in 2023-2024
1	Fund-based - LT-Cash Credit	LT	149.00	CARE AA; Stable	-	1)CARE AA; Stable (08-Jul-25)	1)CARE AA-; Positive (03-Mar-25) 2)CARE AA-; Positive (30-Sep-24)	1)CARE AA-; Stable (17-Jul-23)
2	Commercial Paper-Commercial Paper (Carved out)	ST	-	-	-	-	-	1)Withdrawn (17-Jul-23)
3	Commercial Paper-Commercial Paper (Carved out)	ST	-	-	-	-	-	1)Withdrawn (17-Jul-23)

4	Non-fund-based-Long Term	LT	200.00	CARE AA; Stable	-	1)CARE AA; Stable (08-Jul-25)	1)CARE AA-; Positive (03-Mar-25) 2)CARE AA-; Positive (30-Sep-24)	1)CARE AA-; Stable (17-Jul-23)
5	Non-fund-based-Short Term	ST	631.00	CARE A1+	-	1)CARE A1+ (08-Jul-25)	1)CARE A1+ (03-Mar-25) 2)CARE A1+ (30-Sep-24)	1)CARE A1+ (17-Jul-23)
6	Fund-based - ST-Standby Line of Credit	ST	-	-	-	-	-	1)Withdrawn (17-Jul-23)
7	Non-fund-based - ST-Standby Line of Credit	ST	-	-	-	-	-	1)Withdrawn (17-Jul-23)
8	Non-fund-based - ST-Credit Exposure Limit	ST	20.00	CARE A1+	-	1)CARE A1+ (08-Jul-25)	1)CARE A1+ (03-Mar-25) 2)CARE A1+ (30-Sep-24)	1)CARE A1+ (17-Jul-23)

LT: Long term; ST: Short term

Annexure-3: Detailed explanation of covenants of rated instruments/facilities: Not applicable

Annexure-4: Complexity level of instruments rated

Sr. No.	Name of the Instrument	Complexity Level
1	Fund-based - LT-Cash Credit	Simple
2	Non-fund-based - ST-Credit Exposure Limit	Simple
3	Non-fund-based-Long Term	Simple
4	Non-fund-based-Short Term	Simple

Annexure-5: Lender details

To view lender-wise details of bank facilities please click here

Annexure-6: List of entities consolidated: Not applicable

Annexure-7: List of facilities/instruments and FSRs

As required by SEBI Circular dated February 10, 2026, to Credit Rating Agencies (CRAs), the list of activities or instruments falling under the purview of various FSRs, along with the names of respective FSRs, is being disclosed below:

Sr. No.	Facilities/Instruments Name	Regulator of the Instruments[2]
1.	Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities)	SEBI
2.	Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities)	MCA
3.	Listed PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	SEBI
4.	Listed PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	SEBI
5.	Unlisted PTCs / Securitisation Notes (Originated by Entities Regulated by RBI) *	RBI
6.	Listed Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
7.	Unlisted Commercial Paper and NCDs with Original Maturity Less Than 1 Year	RBI
8.	Loan Facilities (Fund / Non-Fund Based) From Banks / NBFCs / NHB / FIs ^	RBI
9.	External Commercial Borrowings and Other Similar Borrowings	RBI
10.	Certificates of Deposit	RBI
11.	Fixed Deposits Raised by Banks, NBFCs, HFCs, FIs	RBI
12.	Fixed Deposits Raised by Corporates Other Than Banks, NBFCs, HFCs, FIs	MCA
13.	Inter Corporate Deposits / Loans Extended by Corporates	MCA
14.	Borrowing Programme ~	-
15.	Issuer Ratings #	-
16.	Credit Ratings for Capital Protection Oriented Schemes (By Mutal Funds and AIFs)	SEBI
17.	Credit Quality Ratings (CQRs) for Mutual Fund Schemes and Schemes of AIFs	SEBI
18.	Listed Security Receipts	SEBI
19.	Unlisted Security Receipts	RBI
20.	Independent Credit Evaluation (ICE)	RBI
21.	Expected Loss Ratings (For Loan Facilities (Fund / Non-Fund Based) from Banks / NBFCs / NHB / FIs)	RBI
22.	Expected Loss Ratings (Listed / Proposed to be Listed Bonds / Debentures / Preference Shares (All Securities))	SEBI
23.	Expected Loss Ratings (Unlisted / Proposed to be Unlisted Bonds / Debentures / Preference Shares (All Securities))	MCA
24.	Unlisted PTCs / Securitisation Notes (Originated by Entities Not Regulated by RBI) *	Investor-side regulator such as IRDAI, PFRDA @

* Includes securitisation transactions involving assignee payout, acquirer's payout.

~ The rated instrument may involve issuance of different instruments such as debt securities (listed or otherwise), bank loans, commercial paper (listed or otherwise), etc. The regulator of the instrument may accordingly be SEBI, RBI or MCA and can only be determined upon issuance. In the rating notes subsequent to issuance(s), CARE Ratings Limited shall separately capture the rated quantum details along with names of respective regulators.
^ Includes bank facilities such as liquidity facility, second loss facility that are part of securitisation transactions.
# There is no instrument being rated and hence, Regulator of the Instrument is not applicable. The rating scale and definitions are being followed as stipulated in SEBI Master Circular for CRAs.
@ These ratings were assigned during regulatory regime prior to introduction of SEBI CRA Circular dated February 10, 2026 and the investor side regulators have accordingly been included.
Note: For facilities / instruments falling under the purview of FSRs other than SEBI, the grievance / dispute redressal mechanisms and investor protection mechanisms provided by SEBI shall not be available.

Note on complexity levels of rated instruments: CareEdge Ratings has classified instruments rated by it based on complexity. Investors/market intermediaries/regulators or others are welcome to write to care@careedge.in for clarifications.

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About us:
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