

November 15, 2023

To,

The Manager- Listing Department
National Stock Exchange of India Limited
'Exchange Plaza', C-1 Block G,
Bandra Kurla Complex, Bandra (East)
Mumbai-400051

Scrip Code: SURANI

Sub: H1FY24 Investor Presentation

Dear Sir/ Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith Investors Presentation in connection with Unaudited Standalone Financial Results of the Company for the half year ended September 30, 2023.

The presentation is also being uploaded on the website of the Company www.suranisteel.com

Kindly take the same into your records.

Thanking You,

Yours faithfully,
For and on behalf of
Surani Steel Tubes Limited

MOHINDER SINGH Digitally signed by MOHINDER SINGH
Date: 2023.11.15 18:36:55 +05'30'

Mohinder Singh
Company Secretary

SURANI STEEL TUBES LTD.

CIN: L27109GJ2012PLC071373

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SURANI
STEEL TUBES LIMITED

EARNINGS UPDATE

H1 FY24 | November 15th, 2023



About Surani Steel Tubes Limited (“Surani” or “The Company”)

- Incorporated in the year 2012, Surani Steel Tubes Limited is a dynamic steel tube manufacturing company, which specializes in producing ERW MS Pipes, HR Slit Coils, and HR Coils of various shapes and sizes to meet the requirements of vivid sectors.
- Surani operates through a state-of-the-art manufacturing facility located in Dahegam, Gujarat. The facility is equipped with sophisticated testing labs and equipment’s, having a capacity to manufacture 40,000 MTPA of steel tubes.
- The Company’s manufacturing facility is equipped with Universal Testing Machine, High Temperature Muffle Furnace, Hydro Testing Machine, Thickness Gauge, and many other.
- The Company caters to a diverse range of industries such as Infrastructure, Engineering, Heavy vehicles, Energy, Construction, and Core infrastructure.
- Surani’s commitment to excellence has earned itself international certifications and Licenses such as **ISO 9001:2015, IS 1161:2014, and IS 4923:2017.**
- These certifications has aided Surani to serve to key clienteles such as Adani Ports & Logistics, Tata Power, Ratnamani, Indian Oil, Larsen & Toubro, and many more.

Key Developments in H1 FY24:

Fundraise for Growth:

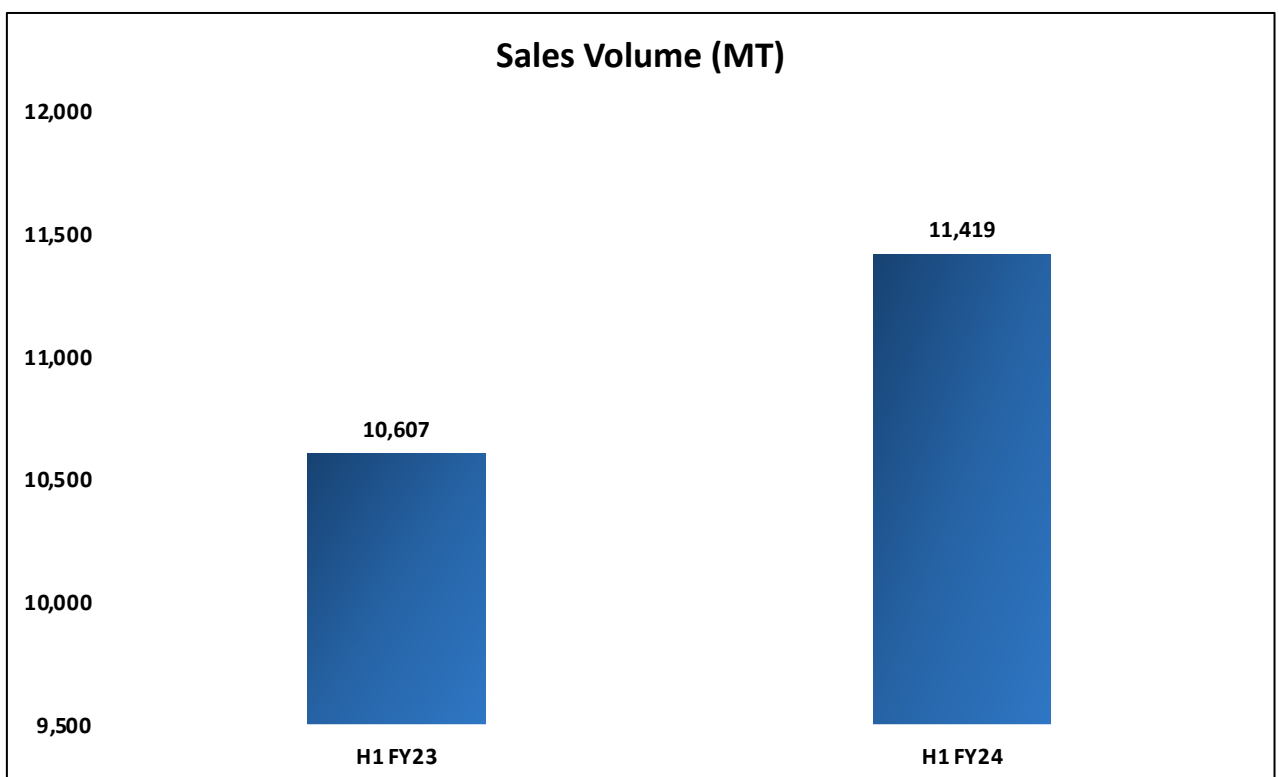
- For this purpose, Surani has issued 72,64,036 Fully Convertible Warrants on Preferential basis to Non-Promoter category at an issue price of Rs. 135/- per share for an aggregate amount of up to Rs. 980.64 Mn
- The Company has successfully converted 6,05,000 warrants.
- The Company plans to deploy the proceeds towards working capital thereby expanding the scale of operations, and strengthen bargaining power.

Change in Management:

- Mr. Vijay Singla, Mr. Chetan Singla, and Ms. Pavni Singla were appointed as the new directors of Surani.
 - Mr. Vijay Singla has around 35 years of experience in iron and steel industry in field of manufacturing, units set up and operations, funding, and financial planning.
 - Mr. Chetan Singla has around 15 years of experience in iron and steel industry and real estate in the fields of manufacture, units set up and operations, marketing, and overall operations in iron and steel industry.
 - Ms. Pavni Singla completed her Masters in Management from HEC Paris. Ms. Singla is young & energetic aspirant having expertise in capital management and cost budgeting. She also served as a Senior Financial Consultant at A.T. Kearney.

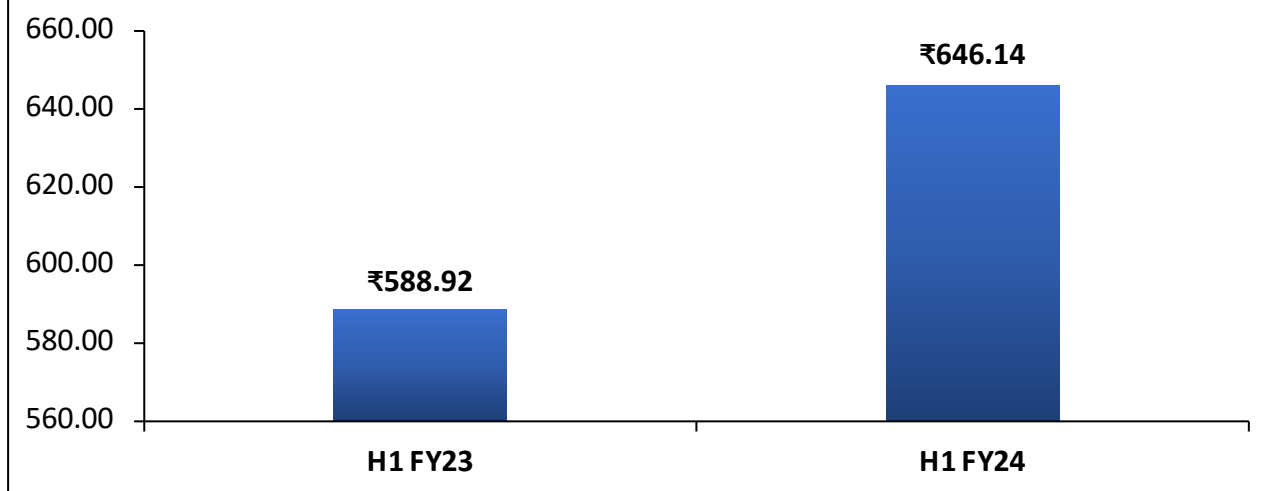
Key Consolidated Financial Snapshot:

Sales Volume:

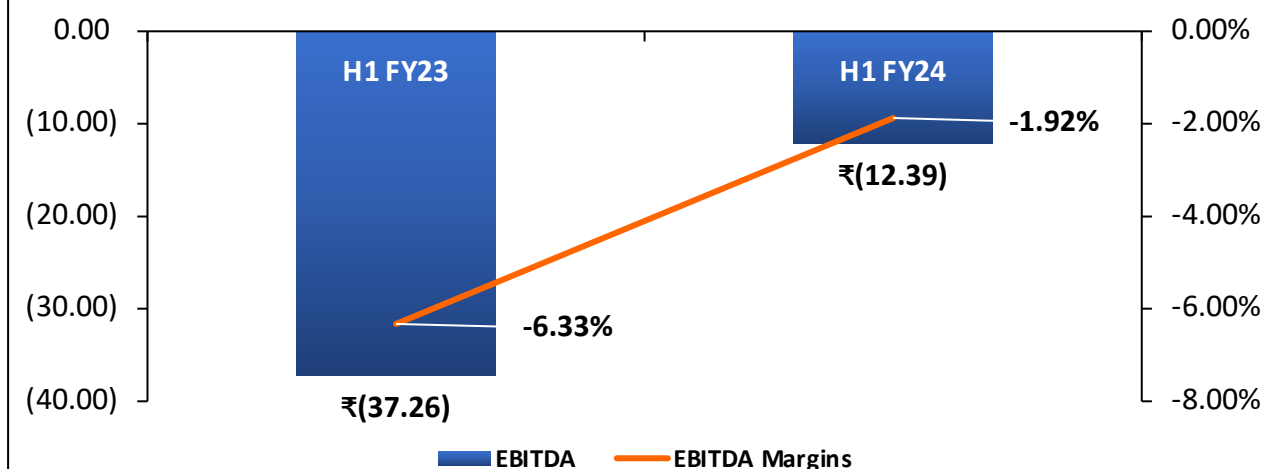


Key Consolidated Financial Snapshot:

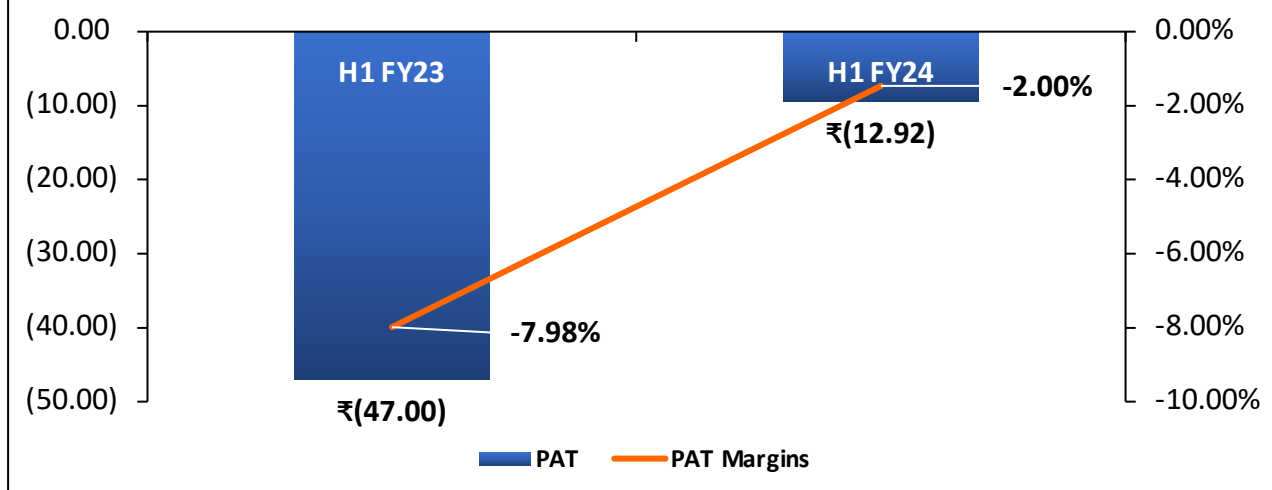
Revenue from Operations (Rs. Mn)



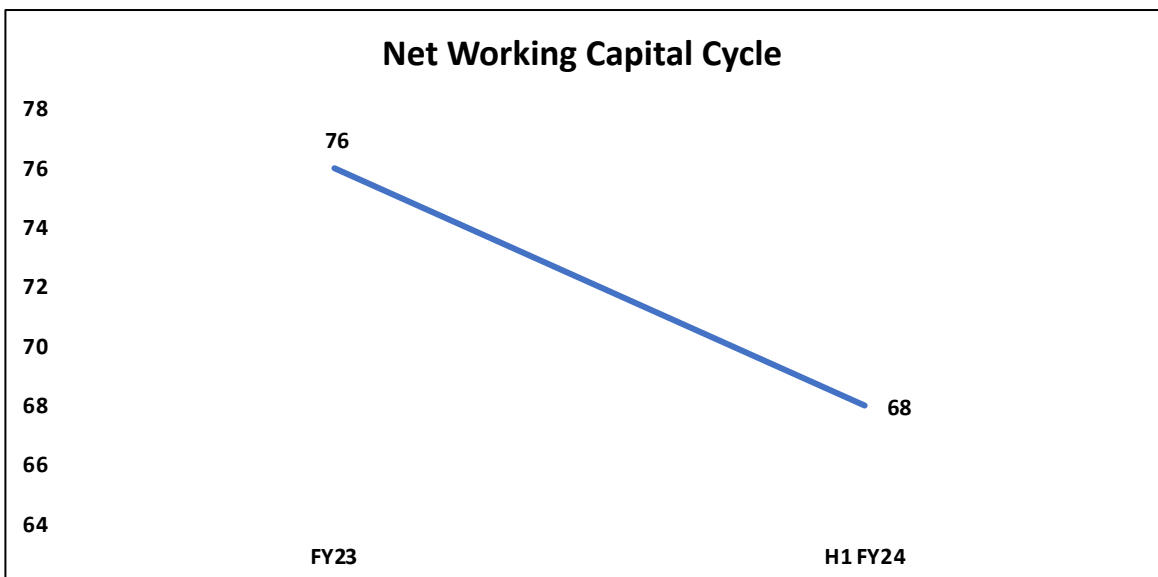
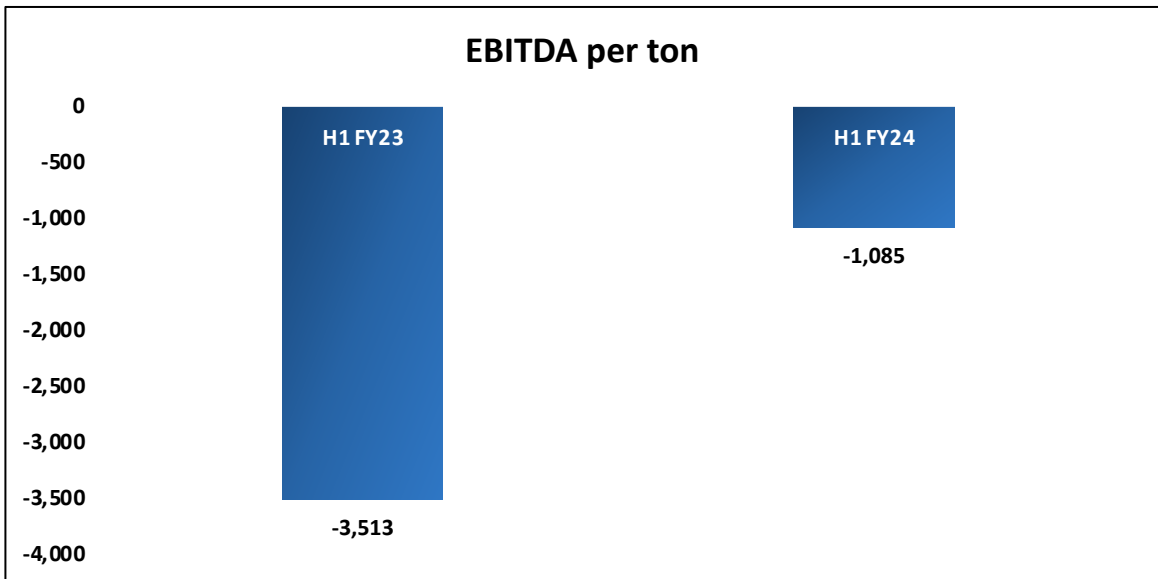
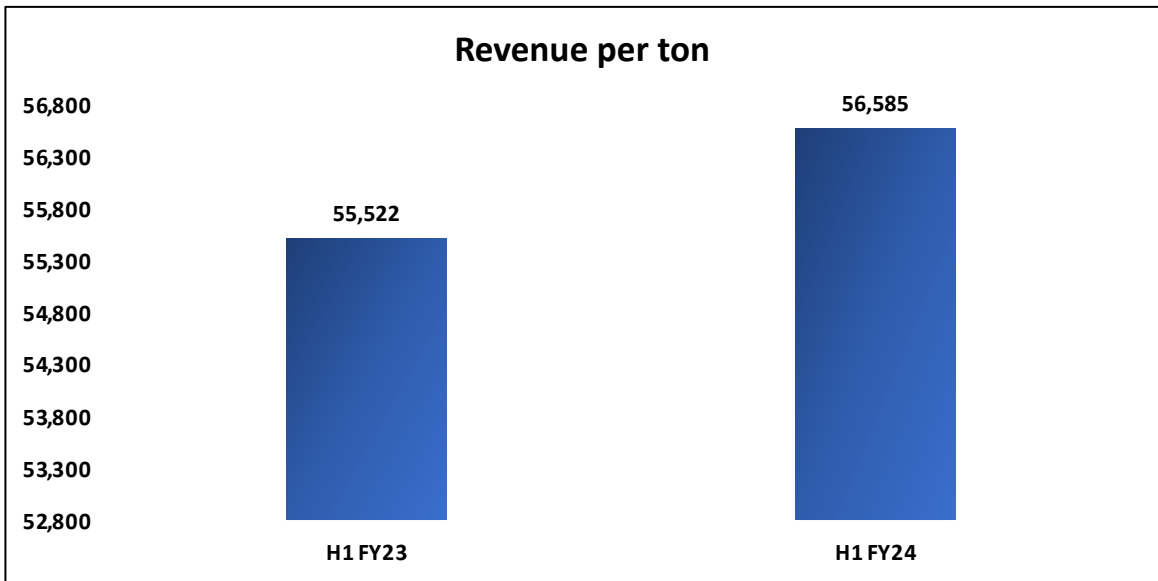
EBITDA (Rs. Mn) & EBITDA Margins (%)



PAT (Rs. Mn) & PAT Margins (%)



Key Consolidated Financial Snapshot:



Consolidated Financial Statement Highlights:

Consolidated Income Statement:

Particulars (Rs. Mn)	H1 FY24	H1 FY23	YoY%
Revenue from Operations	646.14	588.92	9.72%
Other Income	3.28	1.25	
Total Revenue	649.42	590.17	
Total Expenses excluding Depreciation, Amortization & Finance Cost	658.53	626.18	5.17%
EBITDA*	(12.39)	(37.26)	
EBITDA Margin %	-1.92%	-6.33%	441 bps
Depreciation & Amortization	1.663	6.738	
Finance Cost	1.066	5.143	
PBT	(11.84)	(47.90)	
Tax Expense	1.08	(0.86)	
PAT	(12.92)	(47.04)	
PAT Margin %	-2.00%	-7.99%	599 bps
Other Comprehensive Income	0	0	
Net PAT	(12.92)	(47.04)	
Diluted EPS	-1.17	-5.68	

*EBITDA is calculated excluding Other Income

Cashflow Statement:

Particulars (Rs. Mn.)	H1 FY24	FY23
Net Cashflow from Operations Activities	(132.32)	(16.49)
Net Cashflow from Investing Activities	(264.17)	65.68
Net Cashflow from Financing Activities	427.43	(46.37)
Net Change in Cash and Cash Equivalents	30.94	2.82

Balance Sheet as at:

Particulars (Rs. Mn.)	30.09.23	31.03.23
ASSETS		
Non-Current Assets		
Property, Plant, and Equipment	84.45	46.02
Intangible Assets	0.00	0.00
Capital Work in Progress	0.24	0.00
Non-Current Investments	0.00	1.30
Long Term Loans and Advances	222.82	1.21
Total Non-current Assets	307.50	48.54
Current Assets		
Inventories	214.08	173.20
Trade Receivables	25.34	132.98
Cash & Cash Equivalents	39.03	8.10
Short term Loans and Advances	176.29	41.85
Other Current Assets	3.78	9.20
Total Current Assets	458.53	365.33
Total Assets	766.03	413.87

Particulars (Rs. Mn.)	30.09.23	31.03.23
EQUITY & LIABILITIES		
Equity		
Equity Share Capital	88.89	82.84
Reserves and Surplus	207.68	144.98
Money received against share warrants	459.61	0.00
Total Equity	756.18	227.82
Liabilities		
Non-Current Liabilities		
Long Term Borrowings	0.00	0.00
Deferred Tax Liabilities	4.94	5.63
Provisions	0.94	0.94
Total Non-current Liabilities	5.88	6.57
Current Liabilities		
Borrowings	0.00	113.31
Trade Payables	1.61	54.56
Other Current Liabilities	2.36	6.31
Provisions	0.00	5.31
Total Current Liabilities	3.97	179.49
Total Liabilities	9.85	186.05
Total Equity and Liability	766.03	413.87

Management Commentary:

Commenting on the performance of H1 FY24, the management team of Surani said:

- *Our Revenue from Operations grew by 9.72% from Rs. 588.92 Mn in H1 FY23 to Rs. 646.14 Mn in H1 FY24. This growth was led by elevated sales volume.*
- *Our EBITDA improved from Rs. (37.26) Mn in H1 FY23 to Rs. (12.39) Mn in H1 FY24. EBITDA margins improved significantly by 441 bps from (6.33%) in H1 FY23 to (1.92%) in H1 FY24. This was led by steady increase in capacity utilisation, increase in scale of operations, and improved bargaining capability.*
- *Profit/(Loss) After Tax reduced significantly by 79.35% from Rs. (47.04) Mn in H1 FY23 to Rs. (12.92) Mn in H1 FY24. PAT margins grew by 599bps in H1 FY24 to (2.00%) compared to (7.99%) YoY.*

In the first half of fiscal year 2024, The Company experienced a significant management overhaul, marking the beginning of a remarkable turnaround story. The new leadership is steadfast in its commitment to rejuvenate the performance of The Company and align operations with our goal—to position Surani as a prominent manufacturer of ERW steel tubes and pipes.

In pursuit of this transformative goal, we are undertaking a substantial increase in our manufacturing capacity, transitioning from the current 40,000 MTPA to an impressive 3,00,000 MTPA by FY27. This strategic expansion includes the establishment of a galvanization facility, a key element in producing high-quality GI pipes. This move will not only broaden our application horizon across diverse sectors but will also unlock fresh revenue opportunities.

Furthering our ambitious agenda, we plan to invest in cutting-edge equipment, enabling the production of larger diameter pipes in varied sizes. These strategic investments are poised to enhance our product range, expanding it from the existing 300 SKUs to an impressive 600 SKUs, with a substantial focus on value-added products.

We are at the cusp of an transformational journey as we move forward. The compelling fusion of India's promising marathon of achievements in the coming decade and our heightened potential resulting from strategic expansion holds great promise for rapid and sustained growth.

Management Guidance :

- Revenue is expected to grow by **10-15% from FY23 to FY24** led by increased sales volume.
- EBITDA and EBITDA margins for FY24 is expected to improve led by improved bargaining capability, and increase in scale of operations.

For further information on The Company, please visit: <https://www.suranisteel.com>

Disclaimer:

Certain statements in this document may be forward looking statements. Such forward-looking statements are subject to certain risks and uncertainties like government actions, local political or economic developments, technological risks, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Surani Steel Tubes Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstance.

Contact Details:

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Surani Steel Tubes Limited

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