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# Rama Steel Tubes Ltd.

Manufacturers & Exporters : ERW Steel Tubes (Black & Galvanised)

CIN : L27201DL1974PLC007114

Regd. Office

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September 12, 2017

To

The Manager – Listing National Stock Exchange of India Ltd Exchange Plaza, Bandra Kurla Complex Bandra (East) Mumbai – 400 051 Symbol: RAMASTEEL	The Secretary Corporate Relationship Dept. BSE Limited P.J. Towers, Dalal Street, Mumbai – 400 001 Scrip Code: 539309
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## SUB: INVESTOR PRESENTATION

Dear Sir / Madam,

Please find attached herewith Investor Presentation of the Company w.r.t. Financial Results of the Company for quarter ended June 30, 2017, for your record and further dissemination.

Kindly take the same on record.

Thanking you,

For **RAMA STEEL TUBES LIMITED**



(KAPIL DATTA)  
COMPANY SECRETARY



Encl.: As above



# Rama Steel Tubes Limited

## Q1 FY18 Result Update Presentation

### September 2017



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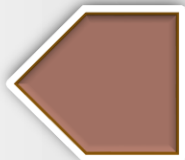
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➤ **CEO's Message**



➤ **Consolidated Quarterly & Annual Financial Performance**



➤ **Company Overview**

## CEO's Message

## Commenting on the results, Mr. Richi Bansal, Director & CEO, Rama Steel Tubes Limited said :



*“This quarter of Q1FY18, we have registered a revenue growth of over 9% and recorded an excellent increase in our overall profit by over 25% based on year-on-year comparison. We are very happy to state that we witnessed a very strong volume demand in the quarter gone by. The overall volume registered over 14% growth in the quarter. This growth has been driven by demand across all product segments.*

*We have always focussed on improving and maintain operational efficiencies for a better profitability. On the same lines, we installed a Solar Power plant at our Khopoli unit in Maharashtra. This has given us a significant amount of savings on the costs. Our operating efficiencies combined with capacity expansion has benefited us a lot. Despite challenging market conditions our Company achieved these numbers. Raw material prices remain volatile and pose a challenging market scenario for us. Despite this and other similar challenges we are committed to growth and are confident that we will do well.*

*Our strategic plan of capacity expansion will help us increase our geographical presence. This expansion will enable us to cater to a wider range of customers by increasing the available SKUs significantly. Going forward, we continue to look at opportunities by exploring the high demand markets of South India. In line with its vision of profitable growth, our Company has been successful in further strengthening its presence in highly profitable geographies. This quarter we even witnessed a significant growth in our export orders. This is another area that has led to better profitability.*

*We are well poised in the GST regime and have started experiencing the impact of it on our business. The earlier threats are slowly waning off and we are starting to reap the benefits out of it. At the same time, continuously improving conditions in infrastructure, construction and other related sectors which will help in better performance. We expect significant order inflow in the coming quarters. We are confident of better days ahead.”*

# Consolidated Quarterly & Annual Financial Performance



# Consolidated Financial Highlights – Q1 FY18 Vs. Q1 FY17

9%



**Net Revenue**

Rs. 71.5 cr

6%



**EBITDA**

Rs 5.3 cr

(24bps) ↓

**EBITDA Margin**

7.4%

25%



**PAT**

Rs 3.2 cr

57bps



**PAT Margin**

4.5%

12%



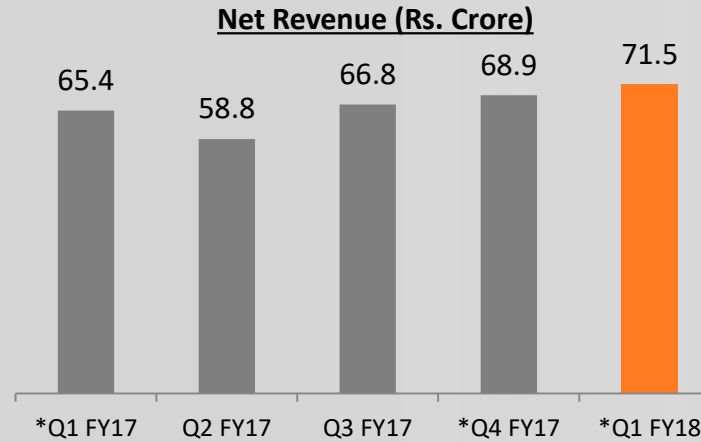
**EPS**

Rs. 1.95 Vs Rs. 1.74

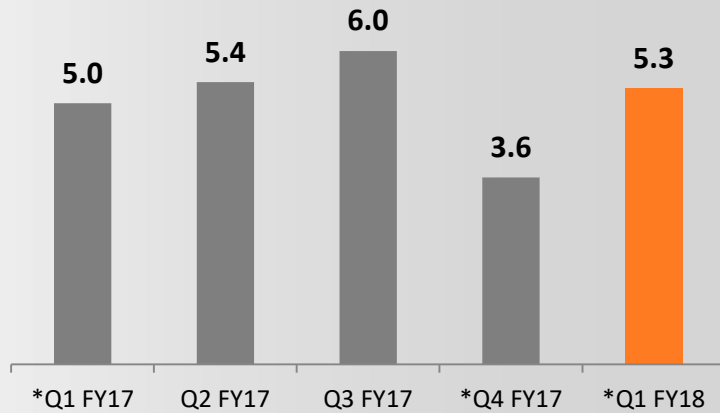
- *Volume growth of over 14% on yoy basis*
- *Installation of Solar Plant at Khopoli facility resulted in better operational efficiencies*
- *Exports contributed 15% of total revenue*



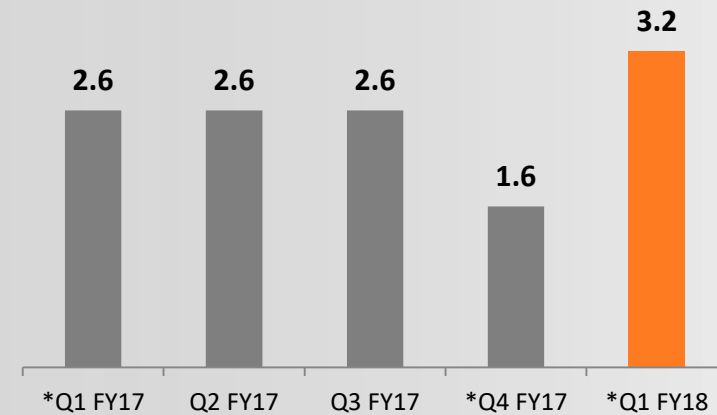
# Consolidated Financial Highlights – Q1 FY18



**#EBITDA (Rs. Crore)**



**PAT (Rs. Crore)**

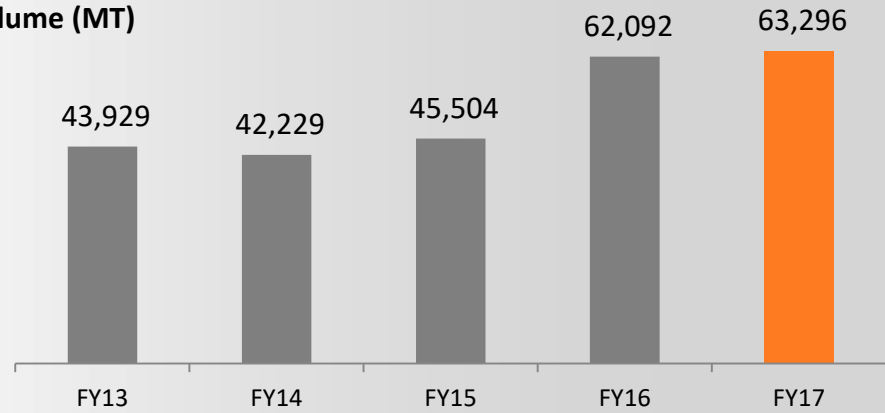


#EBITDA is inclusive of other operating income, but excludes other income and Foreign exchange fluctuations

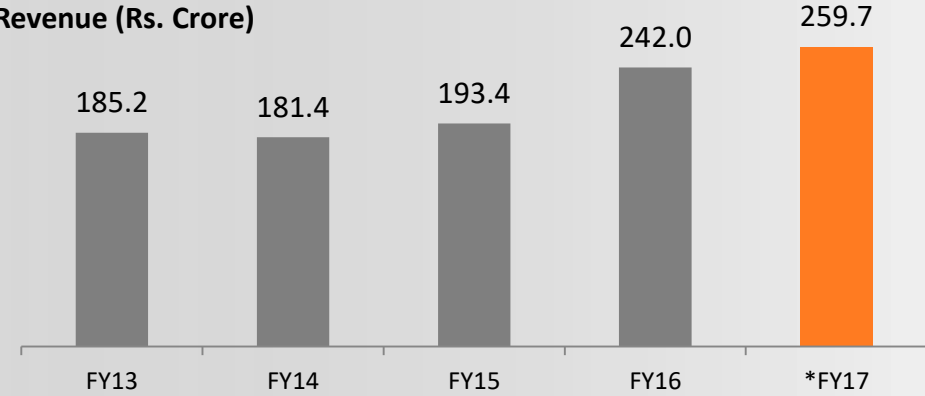
\*Company adopted Indian Accounting Standards (Ind AS)

# Strong Operational Performance

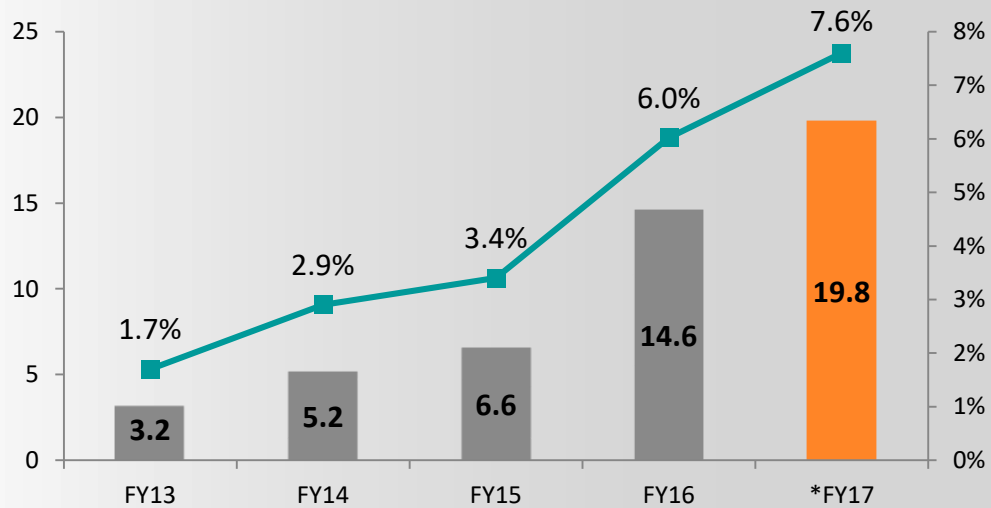
Volume (MT)



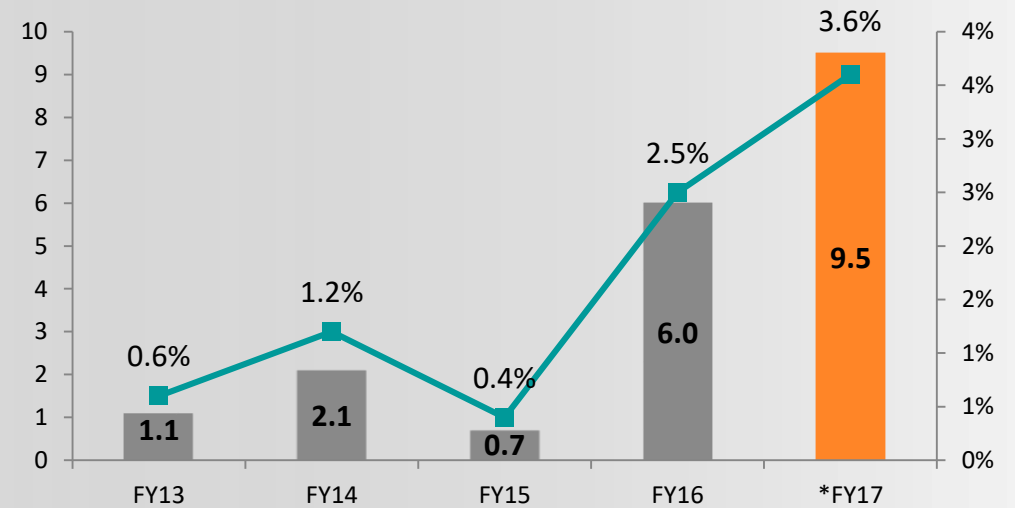
Net Revenue (Rs. Crore)



EBITDA (Rs. Crore) / Margin (%)



PAT (Rs. Crore) / Margin (%)

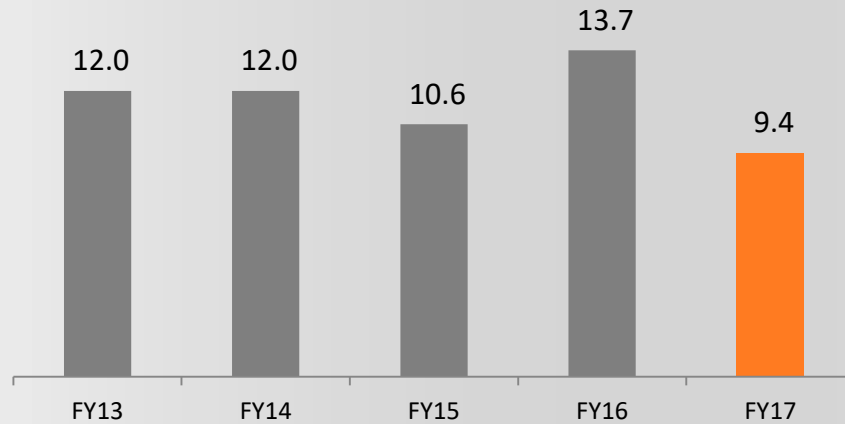


**Registered volume growth of 2%, despite challenging market conditions and impact of demonetization....**

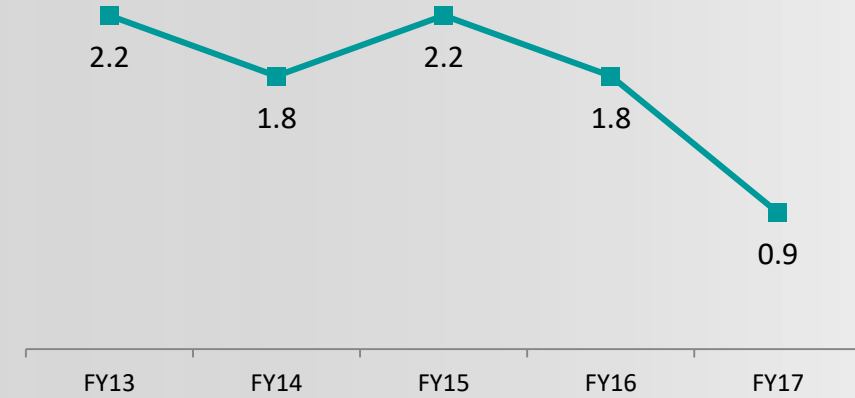
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# Strengthening Balance Sheet

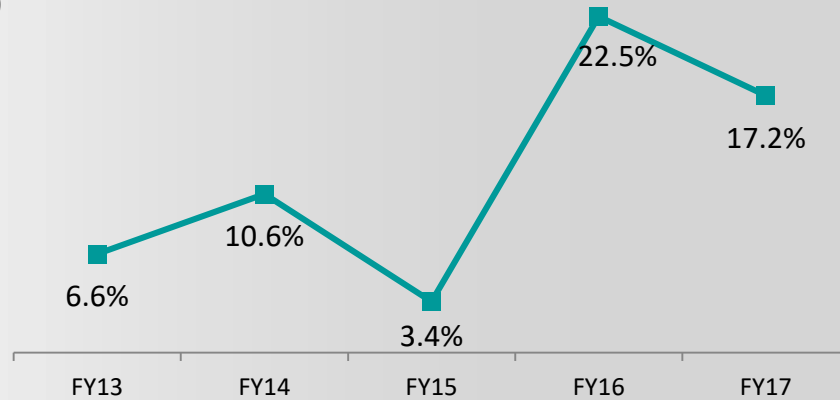
Total Asset Turnover (x)



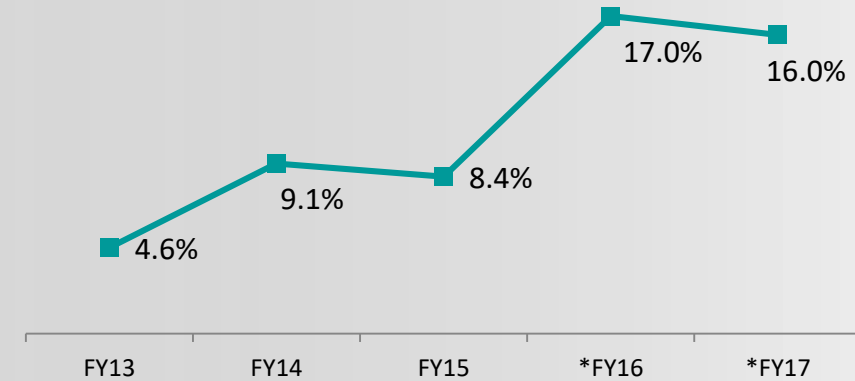
Net Debt/Equity (x)



RoE (%)



\*RoCE (%)



**Return ratios muted mainly on account of new facility started in FY17 (Khopoli, Maharashtra)**

\*RoCE = EBIT / (Shareholder's Fund + Long Term Borrowing + Short Term Borrowing – Non Current Investment)

# Consolidated Quarterly & Annual Performance

Rs. Crore	*Q1 FY18	*Q1 FY17	YoY%	*Q4 FY17	QoQ%	*FY17	FY16
<b>Total Income from Operations</b>	<b>76.96</b>	<b>72.11</b>		<b>74.09</b>		<b>284.42</b>	<b>264.00</b>
Less: Excise Duty	5.49	6.68		5.22		24.70	22.05
<b>Net Revenue</b>	<b>71.47</b>	<b>65.43</b>	<b>9%</b>	<b>68.88</b>	<b>4%</b>	<b>259.73</b>	<b>241.95</b>
Raw Materials	62.46	56.76		60.86		225.39	212.22
Employee Cost	1.01	0.71		1.14		3.44	3.12
Other Cost	2.72	2.96		3.29		11.06	12.03
Total Expenditure	66.19	60.43		65.30		239.89	227.37
<b>EBITDA</b>	<b>5.29</b>	<b>5.00</b>	<b>6%</b>	<b>3.58</b>	<b>48%</b>	<b>19.84</b>	<b>14.58</b>
<b>EBIDTA Margin (%)</b>	<b>7.40%</b>	<b>7.64%</b>	<b>(24bps)</b>	<b>5.20%</b>	<b>220bps</b>	<b>7.64%</b>	<b>6.02%</b>
Interest	1.49	1.26		2.81		7.68	6.18
Depreciation	0.85	0.55		0.80		2.91	2.85
Other Income	1.43	0.48		2.35		3.88	3.08
Profit Before Tax	4.37	3.66		2.32		13.13	8.62
Tax	1.12	1.07		0.69		3.66	2.60
<b>Profit After Tax</b>	<b>3.25</b>	<b>2.60</b>	<b>25%</b>	<b>1.63</b>	<b>99%</b>	<b>9.47</b>	<b>6.03</b>
<b>PAT Margin (%)</b>	<b>4.54%</b>	<b>3.97%</b>	<b>57bps</b>	<b>2.37%</b>	<b>217bps</b>	<b>3.65%</b>	<b>2.49%</b>
<b>EPS</b>	<b>1.95</b>	<b>1.74</b>	<b>12%</b>	<b>1.09</b>	<b>79%</b>	<b>6.34</b>	<b>4.03</b>

\*Company adopted Indian Accounting Standards (Ind AS)

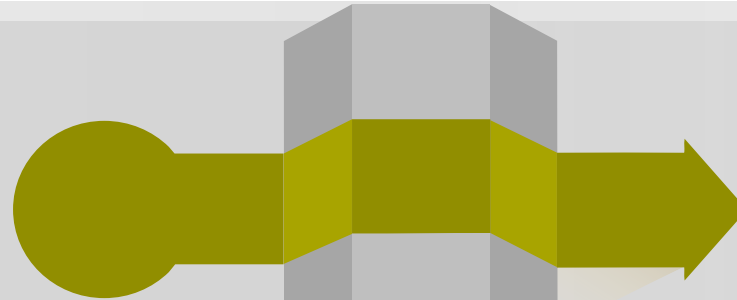
# Consolidated Balance Sheet Highlights

Rs. Crore	Mar-17	Mar-16
<b>Shareholder's Funds</b>	<b>52.74</b>	<b>26.72</b>
Share capital	8.02	8.47
Reserves & Surplus	40.15	18.25
Money received against warrants	4.58	-
<b>Non-current liabilities</b>	<b>15.63</b>	<b>17.15</b>
Long term borrowings	14.67	16.82
Defer Tax liabilities	0.62	0.32
Other Long-Term liabilities	-	-
Long-Term Provisions	0.34	-
<b>Current liabilities</b>	<b>67.08</b>	<b>63.32</b>
Short Term Borrowings	40.25	37.53
Trade Payables	15.39	15.29
Other Current liabilities	8.91	8.11
Short-term provisions	2.52	2.38
<b>Total Equities &amp; Liabilities</b>	<b>135.45</b>	<b>107.19</b>

Rs. Crore	Mar-17	Mar-16
<b>Non-current assets</b>	<b>33.05</b>	<b>30.94</b>
Fixed assets	27.61	17.67
Non-current Investments	2.34	12.16
Long-term loans & advances	1.56	1.10
Other non-current assets	1.54	-
<b>Current Assets</b>	<b>102.40</b>	<b>76.25</b>
Current investments	-	-
Inventories	51.44	31.67
Trade receivables	32.78	23.54
Cash & Cash equivalents	7.65	6.18
Short-term loans & Advances	8.30	13.46
Other Current Assets	2.22	1.41
<b>Total Assets</b>	<b>135.45</b>	<b>107.19</b>

## Company Overview

# Pioneer in Steel Tubes Industry



## Incorporated in 1974

- Over 4 decades of presence in Steel Industry
- Well established and strong brand

## Wide Product Suite

- Presence across key sectors
- Applications in automobiles, infrastructure, real estate, furniture

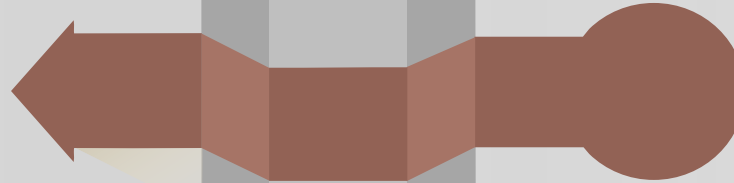


## State of Art manufacturing facilities

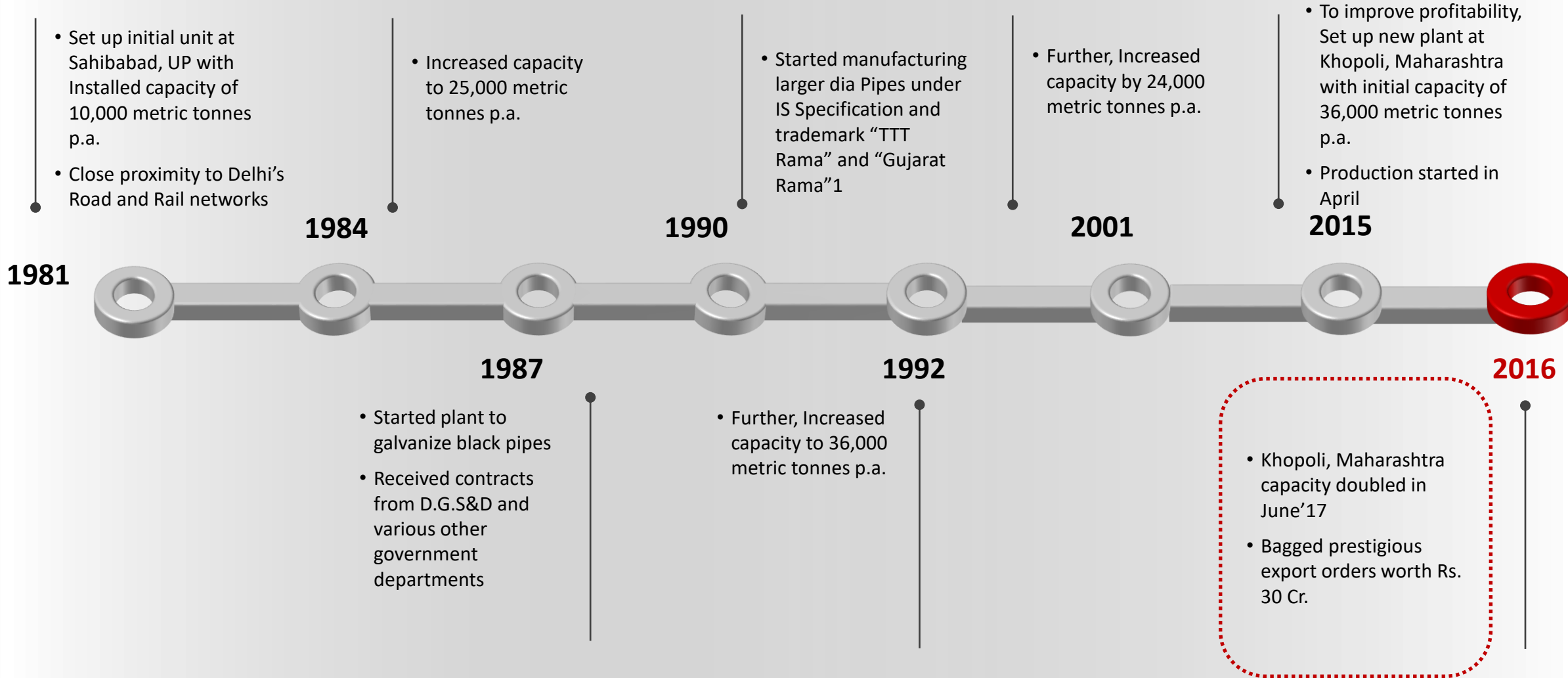
- Two state of art manufacturing facilities in Sahibabad and Khopoli
- Plans to foray into South India with facility at Lepakshi

## Robust Exports

- Growing exports- Contributes 15 % of revenues
- Exports to over 16 countries



# Journey So Far





# Key Management Team

**Naresh Bansal**  
*Managing Director*

- More than 3 decades of experience in manufacturing Industry of “Steel Tubes” with dynamic vision and sharp business acumen
- Graduate in law

**Richi Bansal**  
*Director & CEO*

- Exploring new avenues to expand manifold under his able guidance and leadership
- B. Sc (Hons.) in Management, Bradford University, U.K. & internship with BIE (Marketing & Advertising)

**Rajkumar Malik**  
*CFO*

- Responsible for Accounting Activities, MIS Functioning, financial planning and filing of various compliance with Laws / Statutes
- Commerce graduate from Delhi University and qualified Chartered Accountant

**Rajendra Tiwari**  
*President Marketing*

- More than 2 decades of experience, spearheads marketing division & has excellent relationship with domestic dealers & buyers
- Earlier was with APL Apollo Tubes Ltd. for 10 Years


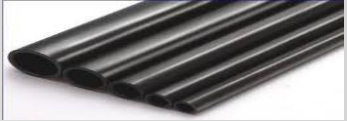




**Rajesh Choudhary**  
*V P Commercial*

- Responsible for the Financial aspects for commercial projects
- Post Graduate in Commerce, committed and hard task marketing professional

**D.R. Kamra**  
*Marketing Exports*

- Looks after Exports activities of the company for more than last 10 Years
- Commerce Graduate from Delhi University

# Diverse Product Portfolio

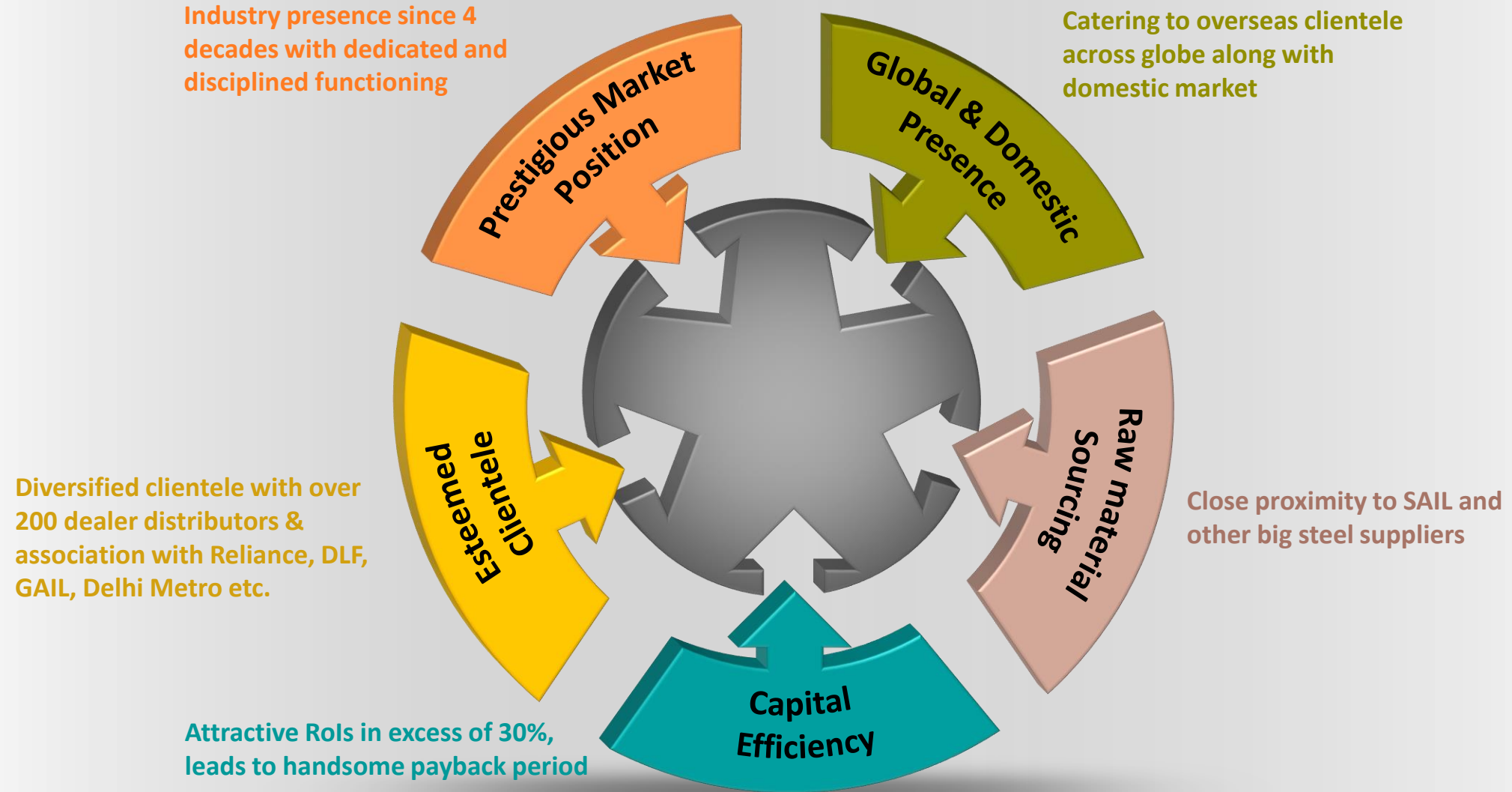
Product		Applications
<b>ERW Galvanised Steel Pipes &amp; Tubes</b>		Water pipeline, Tubewells, Gas Pipelines, Oil Pipelines, Cross Country Pipelines
<b>ERW Black Steel Pipes &amp; Tubes</b>		Road Barriers, Temporary Fencing, Steel Gates and Windows, Horse Riding Fence, Parking Lots, Steel Buildings, Industrial Gates
<b>Scaffolding Pipes &amp; Tubes</b>		Handrails, Piling, Sign Poles, Bumpers, Bracings, Towers, Supports, Rollers, Casing
<b>Swaged Poles</b>		Traffic Lights Poles, Street Light Poles
<b>Structural Steel Products</b>		Hollow Sections for Real Estate, Automobile
<b>Hollow Sections</b>		Furniture, Automobile Chassis, Pallets, Staircases, Hydraulic Platforms, Columns, Trolleys

# Products Well Accepted Over Globe

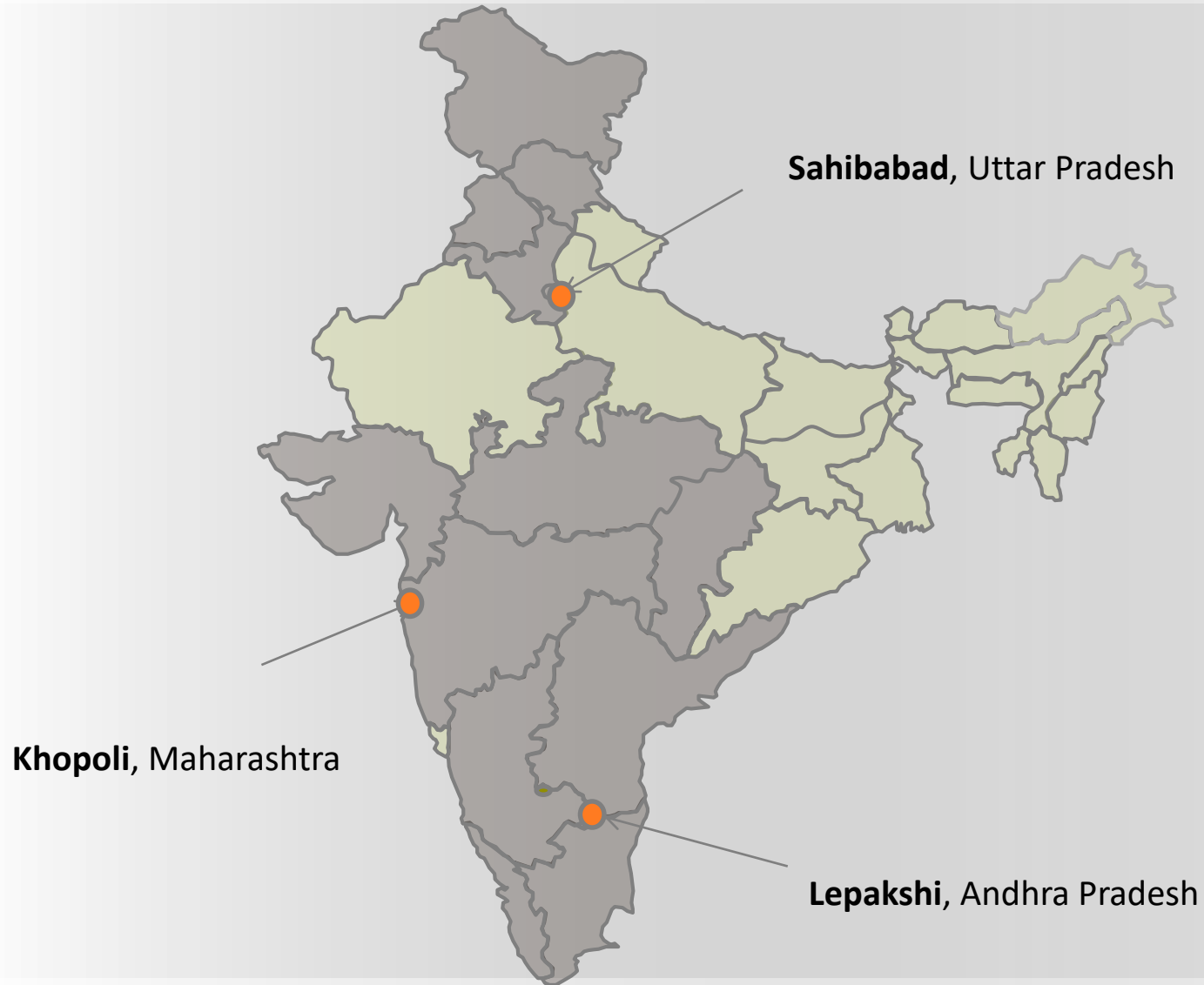


Established & Strong Brand Name - “TTT RAMA”

# Key Strategic Advantages



# Fungible Manufacturing Facilities with Locational Advantage



- Khopoli and Lepaskhi plants - close proximity to ports and market
- Caters to demand across Maharashtra, Gujarat, Madhya Pradesh, Andhra Pradesh & Tamil Nadu, Kerala, Karnataka, Goa, Telangana
- Location near market – enables substantial cost savings
- With new facilities – will be able to address opportunities in North, South & West India



539309

 **NSE** RAMASTEEL

 **Bloomberg** RASTL

 **REUTERS** RAMA.NS

### For further information, please contact:

**Company :**

**Rama Steel Tubes Ltd.**

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**Investor Relations Advisors :**

**Bridge Investor Relations Pvt. Ltd.**

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