



AN ISO 9001 : 2008 CO.

Rama Steel Tubes Ltd.

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

CIN : L27201DL1974PLC007114

Regd. Office

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November 8, 2016

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. Quarterly Results of the Company 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

Q2 & H1 FY17 Result Update Presentation

November 2016



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➤ **CEO's Message**



➤ **Quarterly & Half Yearly Financial Performance**



➤ **Annual Financial Performance**



➤ **Company Overview**

CEO's Message



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

"This quarter's performance beats our own expectations and delivered strong volume growth. Our performance in terms of operating efficiency coupled with favourable raw material conditions led to robust EBITDA Margins. The margins posted by us in the last couple of quarters should be considered as more sustainable in nature. At the same time our efforts to control the working capital requirement contributed to the improved bottom line.

This quarter we successfully commenced the operations for the second line at our Khopoli plant. This has enabled us to expand our presence in the Western region. We are happy to state that we are moving absolutely in line with our strategic plan on capacity expansion and increasing our geographical presence.

Going forward, we continue to look at opportunities by exploring the high demand markets of Southern India. We also plan to venture in value added products like Pre-Galvanized Tubes, that we expect to do well, enabling us to earn incremental margins."

Quarterly & Half Yearly Financial Performance



Consolidated Financial Highlights – Q2 FY17

4%



Volume

17,214 MT

37%



EBITDA

Rs 5.4 cr

284bps



EBITDA Margin

9.2 %

63%



PAT

Rs 2.6 cr

187bps



PAT Margin

4.5 %

Rs. 1.76*

EPS

Vs Rs. 10.79 (Q2 FY16)

**Company declared bonus in 4:1 ratio and split the shares into two*

**Number of shares increased by Ten times*

Consolidated Financial Highlights – H1 FY17

8%



Revenue

Rs 124.4 cr

73%



EBITDA

Rs 10.6 cr

319bps



EBITDA Margin

8.5 %

150%



PAT

Rs 5.2 cr

238bps



PAT Margin

4.2 %

Rs. 3.50*

EPS

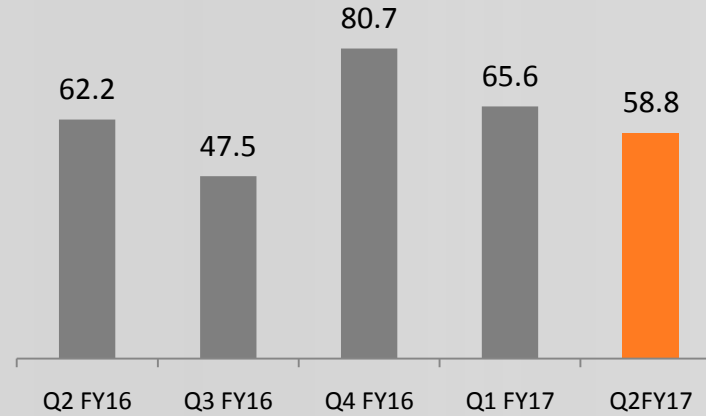
Vs Rs. 14.03 (H1 FY16)

**Company declared bonus in 4:1 ratio and split the shares into two*

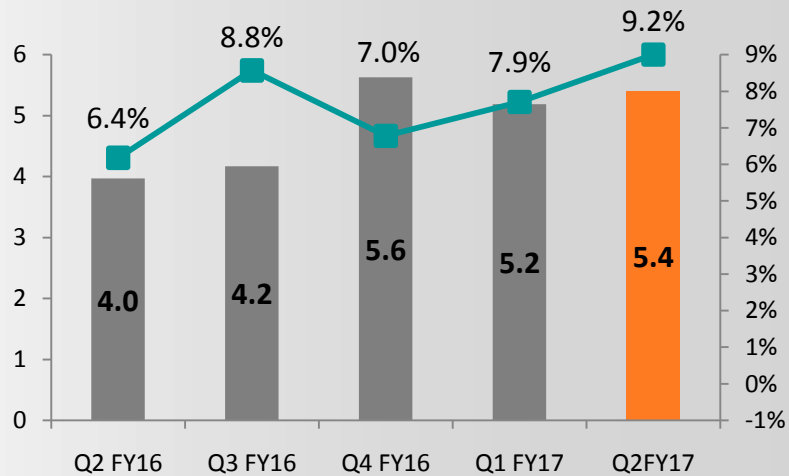
**Number of shares increased by Ten times*

Consolidated Financial Highlights – Q2 FY17

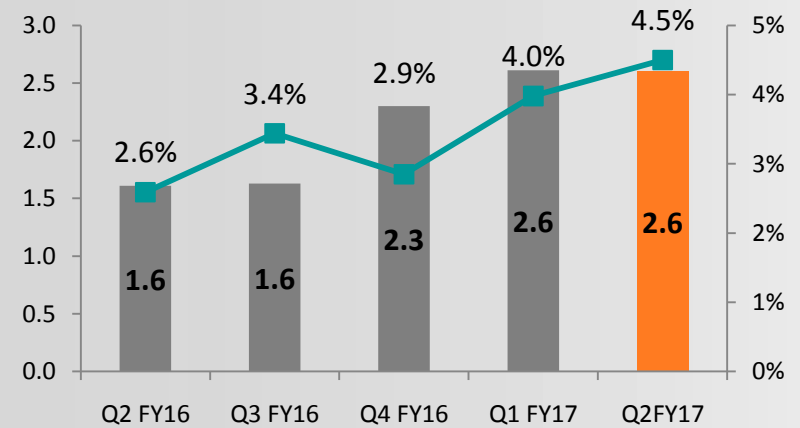
Revenue (Rs. Crore)



EBITDA (Rs. Crore) / Margin (%)

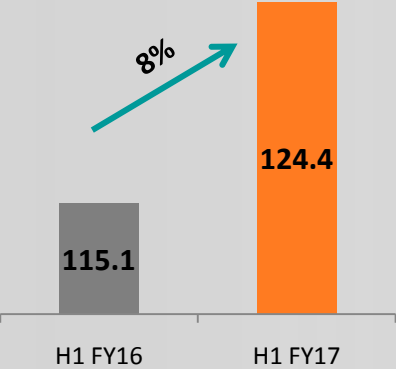


PAT (Rs. Crore) / Margin (%)

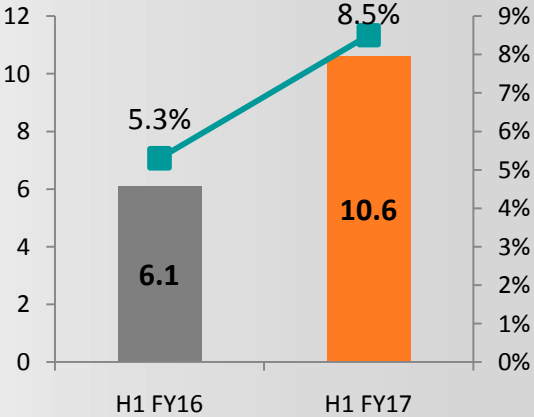


Consolidated Financial Highlights – H1 FY17

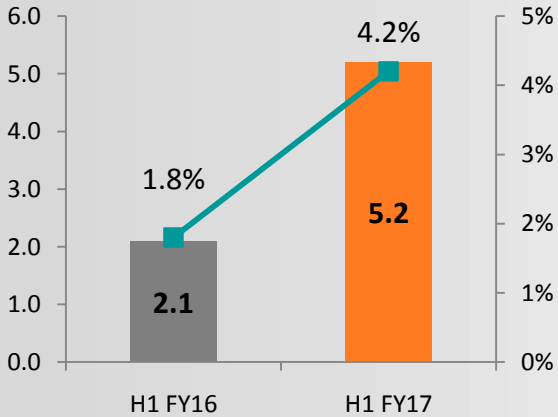
Revenue (Rs. Crore)



EBITDA (Rs. Crore) / Margin (%)

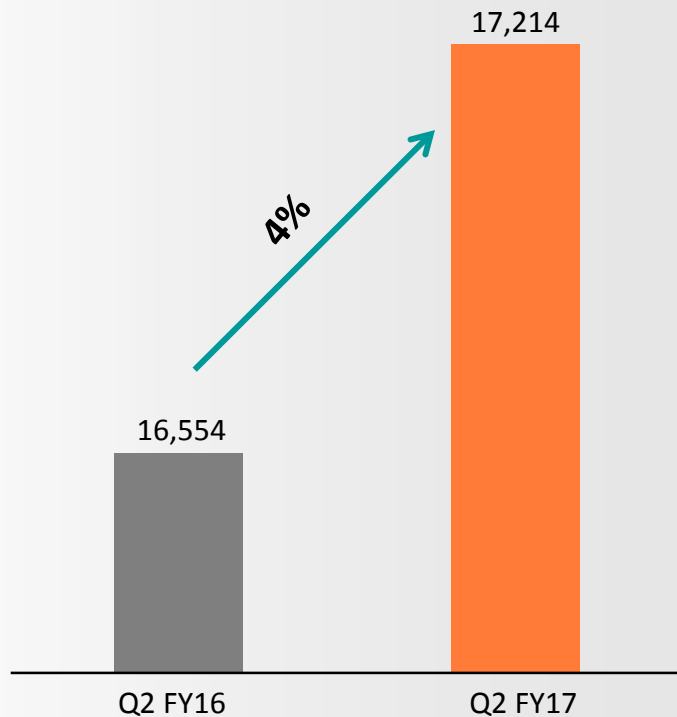


PAT (Rs. Crore) / Margin (%)



Operational Performance Data – Q2 FY17 & H1 FY17

Production (MT)



- Commenced the second production line at plant in Khopoli, Maharashtra – additional 36,000 MT to existing capacity
- Total installed capacity of Khopoli plant stands at 72,000 MT and overall capacity for Company at 1,32,000 MT
- Total capex for Unit 2 was Rs. 5 crore
- Unit 2 has installed capacity of 36,000 MT with total cost of Rs. 5 crore
- Total capex for both units (including land cost) has been Rs 12 crore
- Strategic location of Khopoli plant contributing to Companies better performance
- Units offer an increased range of diverse and value added products (eg. Pre-Galvanized Tubes) - bringing down logistics costs, positively impacting realizations and profitability

Consolidated Quarterly Performance

Rs. Crore	Q2 FY17	Q2 FY16	YoY %	Q1 FY17	QoQ %
Total Income from Operations	58.79	62.23	(6%)	65.61	(10%)
Raw Materials	50.23	54.46		56.76	
Employee Cost	0.76	0.83		0.71	
Other Cost	2.38	2.97		2.96	
Total Expenditure	53.37	58.26		60.42	
EBITDA	5.42	3.97	37%	5.19	5%
EBIDTA margin (%)	9.22%	6.38%	284 bps	7.90%	132 bps
Interest	1.47	1.49		1.24	
Depreciation	0.67	0.83		0.55	
Other Income	0.35	0.44		0.29	
Profit Before Tax	3.63	2.09		3.68	
Tax	1.01	0.48		1.07	
Profit After Tax	2.62	1.61	63%	2.61	0.5%
PAT Margin (%)	4.46%	2.59%	187 bps	3.97%	49 bps

...Margins improved due to operational efficiencies and favourable commodity prices

Consolidated Half Yearly Profitability Highlights

Rs. Crores	H1 FY17	H1 FY16	YoY %
Total Income from Operations	124.40	115.13	8%
Raw Materials	106.99	102.11	
Employee Cost	1.47	1.52	
Other Cost	5.35	5.38	
Total Expenditure	113.81	109.01	
EBITDA	10.59	6.12	73%
EBIDTA margin (%)	8.51%	5.32%	319 bps
Interest	2.71	2.86	
Depreciation	1.22	1.35	
Other Income	0.64	0.84	
Profit Before Tax	7.30	2.75	
Tax	2.07	0.66	
Profit After Tax	5.23	2.09	150%
PAT Margin (%)	4.20%	1.82%	238 bps

Consolidated Half Yearly Balance Sheet Highlights

Rs. Crores	Sep-16	Sep-15
Shareholder's Funds	31.96	22.79
Share capital	8.47	2.49
Reserves & Surplus	23.49	20.30
Non-current liabilities	14.51	18.73
Long term borrowings	14.17	18.40
Defer Tax liabilities	0.34	0.33
Other Long-Term liabilities	-	-
Long-Term Provisions	-	-
Current liabilities	66.15	60.90
Short Term Borrowings	29.29	33.11
Trade Payables	17.48	13.25
Other Current liabilities	16.36	13.42
Short-term provisions	3.02	1.12
Total Equities & Liabilities	112.62	102.42

Rs. Crores	Sep-16	Sep-15
Non-current assets	23.57	31.99
Fixed assets	19.66	17.53
Non-current Investments	2.16	13.21
Long-term loans & advances	1.76	1.25
Other non-current assets	-	-
Current assets	89.04	70.43
Current investments	-	-
Inventories	35.89	30.31
Trade receivables	22.77	22.64
Cash & Cash equivalents	16.29	5.38
Short-term loans & Advances	14.09	12.10
Other Current Assets	-	-
Total Assets	112.62	102.42

Annual Financial Performance



Consolidated Financial Highlights - FY16

26%



Revenue

Rs. 243.3 cr

143%



EBITDA

Rs 15.9 cr

316bps



EBITDA Margin

6.6%

1,930 bps



RoE

23%

990 bps



RoCE

18%

13.8x

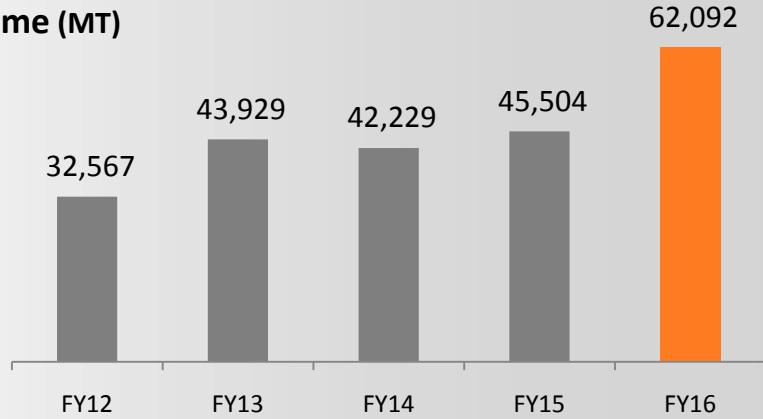
Asset TO

Vs 10.6x (FY15)

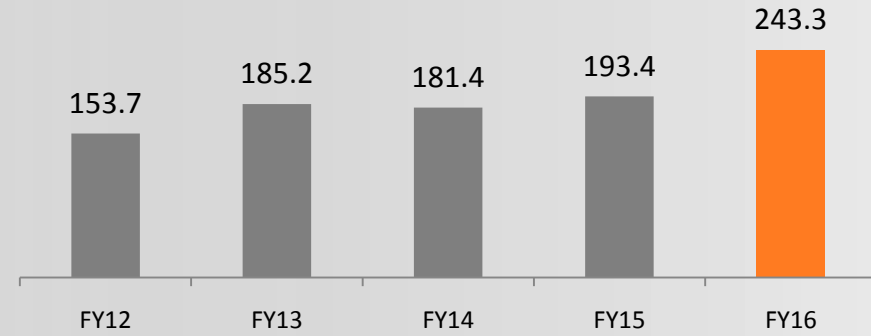
...Highest Industry Asset Turnover

Strong Operational Performance

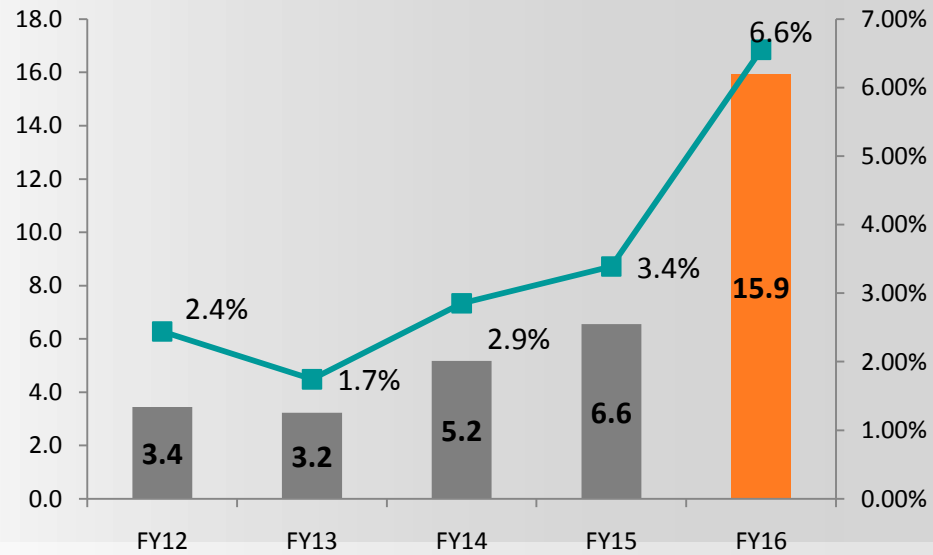
Volume (MT)



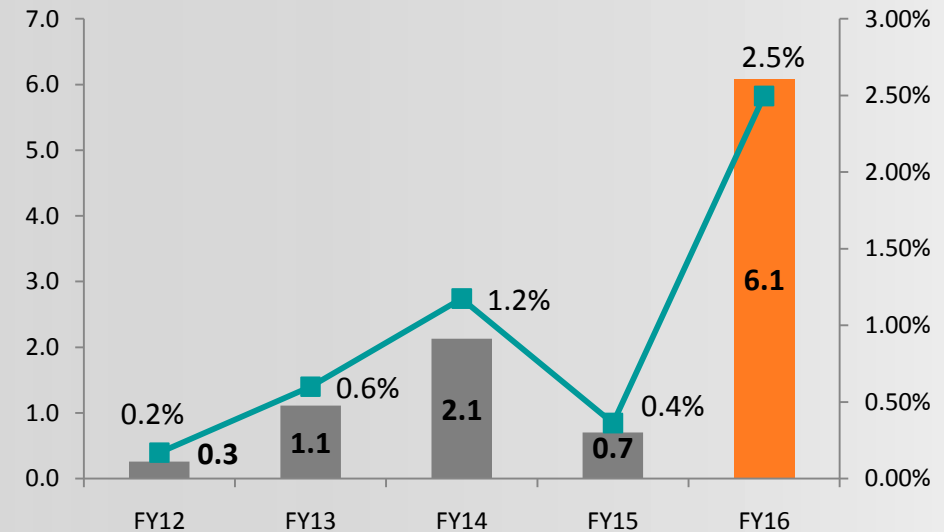
Revenue (Rs. Crore)



EBITDA (Rs. Crore) / Margin (%)

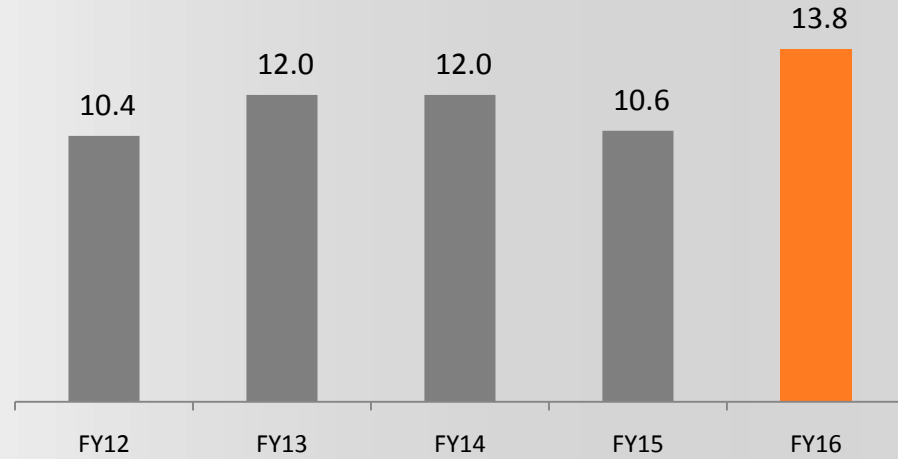


PAT (Rs. Crore) / Margin (%)

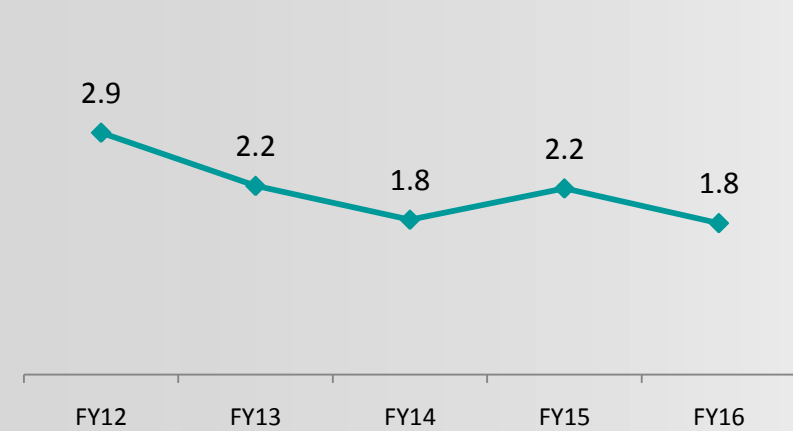


Strengthening Balance Sheet

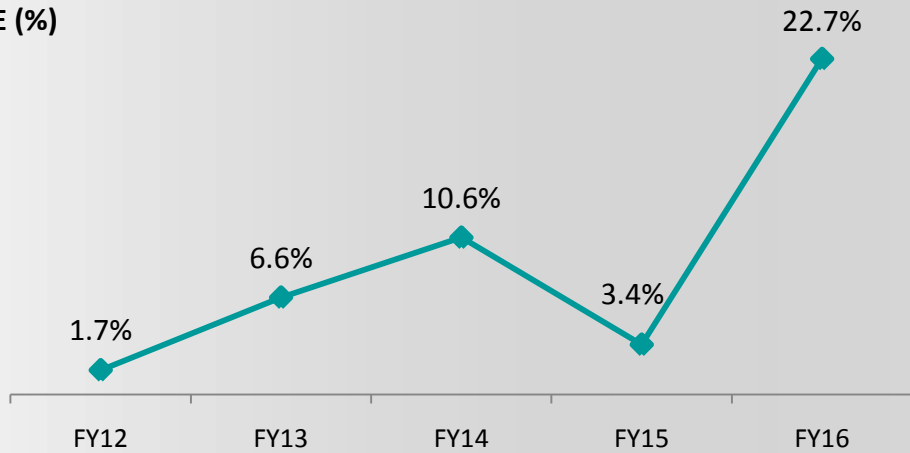
Total Asset Turnover (x)



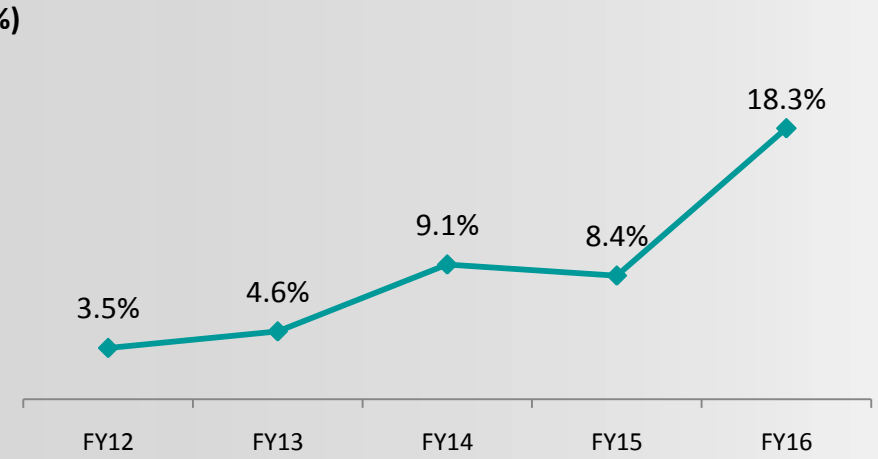
Net Debt/Equity (x)



RoE (%)



RoCE (%)



Consolidated Annual Profitability Highlights

Rs. Crores	FY16	FY15	YoY %
Total Income from Operations	243.28	193.21	26%
Raw Materials	212.20	169.44	
Employee Cost	3.11	2.78	
Other Cost	12.03	14.44	
Total Expenditure	227.34	186.66	
EBITDA	15.94	6.55	143%
EBIDTA margin (%)	6.55%	3.39%	316 bps
Interest	6.18	5.27	
Depreciation	2.84	2.26	
Other Income	1.74	1.86	
Profit Before Tax	8.66	0.88	
Tax	2.59	0.18	
Profit After Tax	6.07	0.70	768%
PAT Margin (%)	2.50%	0.36%	220 bps

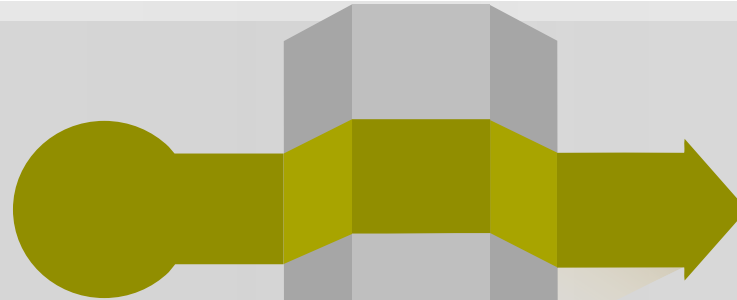
Consolidated Balance Sheet Highlights

Rs. Crores	Mar-16	Mar-15
Shareholder's Funds	26.72	20.70
Share capital	8.47	2.49
Reserves & Surplus	18.25	18.20
Non-current liabilities	17.15	17.12
Long term borrowings	16.82	16.85
Defer Tax liabilities	0.32	0.27
Other Long-Term liabilities	-	-
Long-Term Provisions	-	-
Current liabilities	63.32	58.37
Short Term Borrowings	37.53	36.09
Trade Payables	15.81	2.34
Other Current liabilities	7.60	19.06
Short-term provisions	2.38	0.87
Total Equities & Liabilities	107.19	96.19

Rs. Crores	Mar-16	Mar-15
Non-current assets	30.94	32.06
Fixed assets	17.68	18.19
Non-current Investments	12.16	12.74
Long-term loans & advances	1.10	1.14
Other non-current assets	-	-
Current assets	76.25	64.12
Current investments	-	-
Inventories	31.67	25.62
Trade receivables	23.54	11.13
Cash & Cash equivalents	6.62	7.45
Short-term loans & Advances	14.42	19.92
Other Current Assets	-	-
Total Assets	107.19	96.19

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

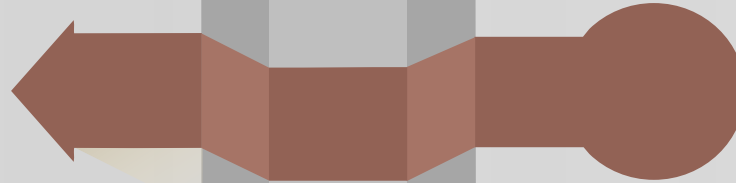


State of Art manufacturing facilities

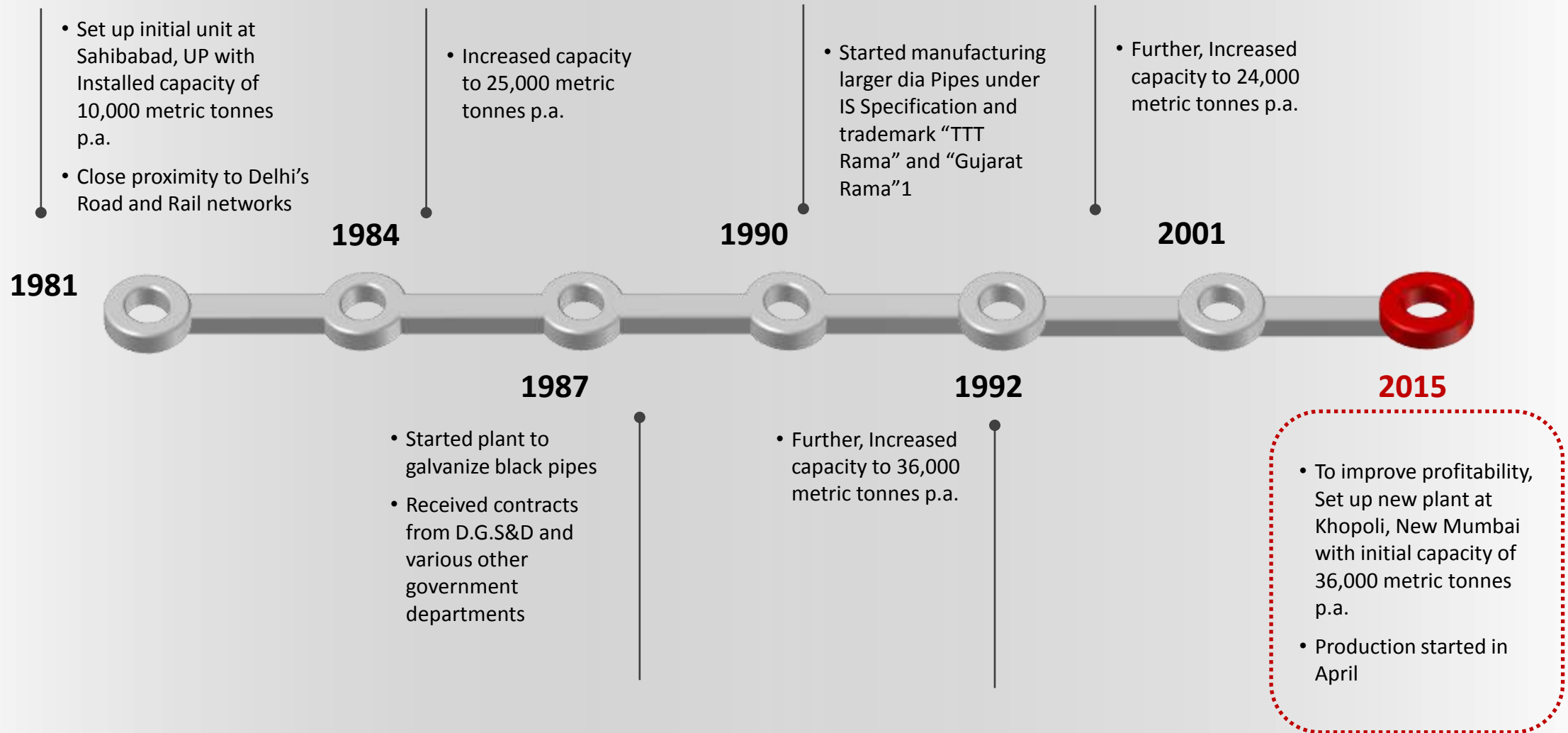
- Two state of art manufacturing facilities in Sahibabad and Khopoli
- Plans to foray into South India with facility at Lepakshi

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

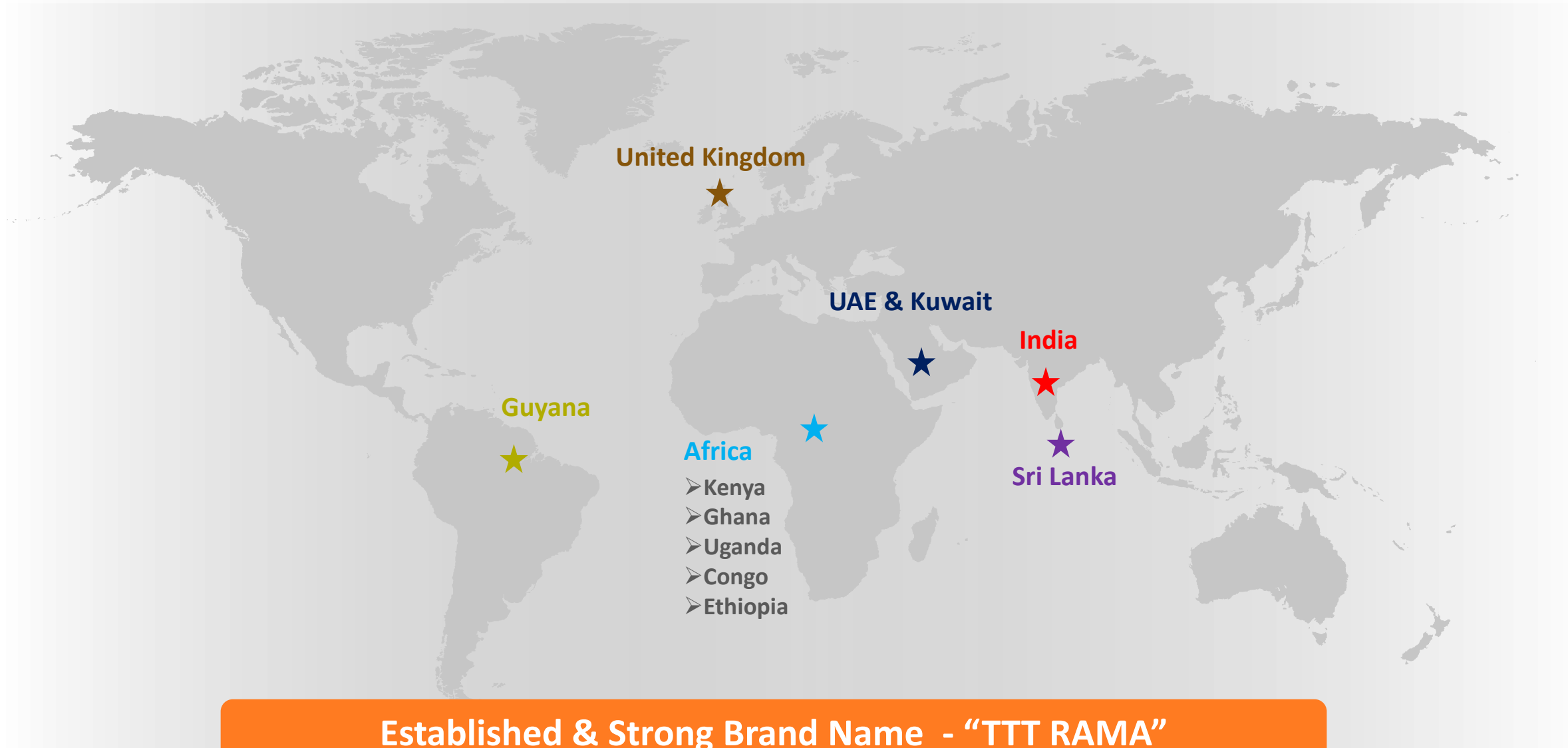
Kapil Datta
Company Secretary

- Handles company secretarial work, maintaining the various statutorily required records, filing various secretarial related documents
- Commerce Graduate and qualified Company Secretary

Diverse Product Portfolio

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

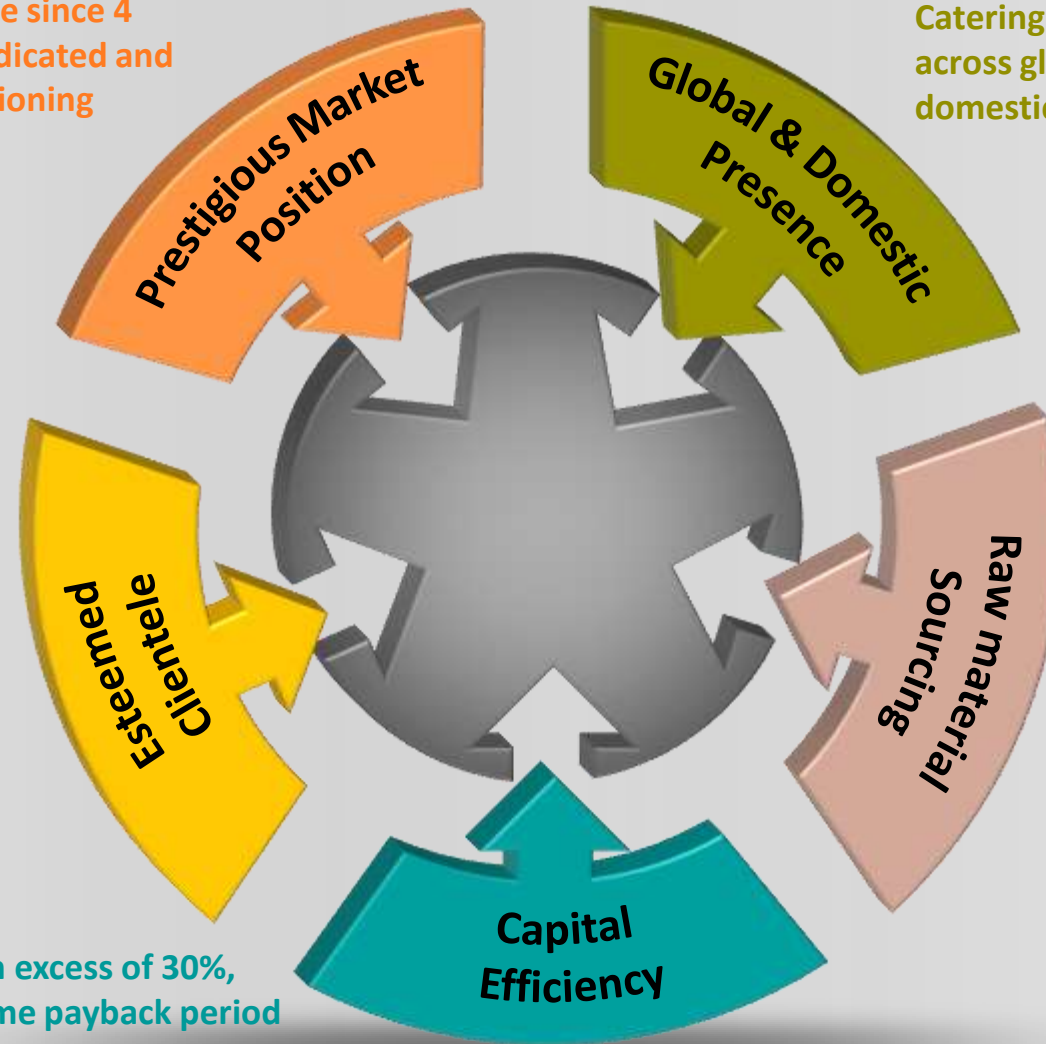
Products Well Accepted Over Globe



Key Strategic Advantages

Industry presence since 4 decades with dedicated and disciplined functioning

Catering to overseas clientele across globe along with domestic market

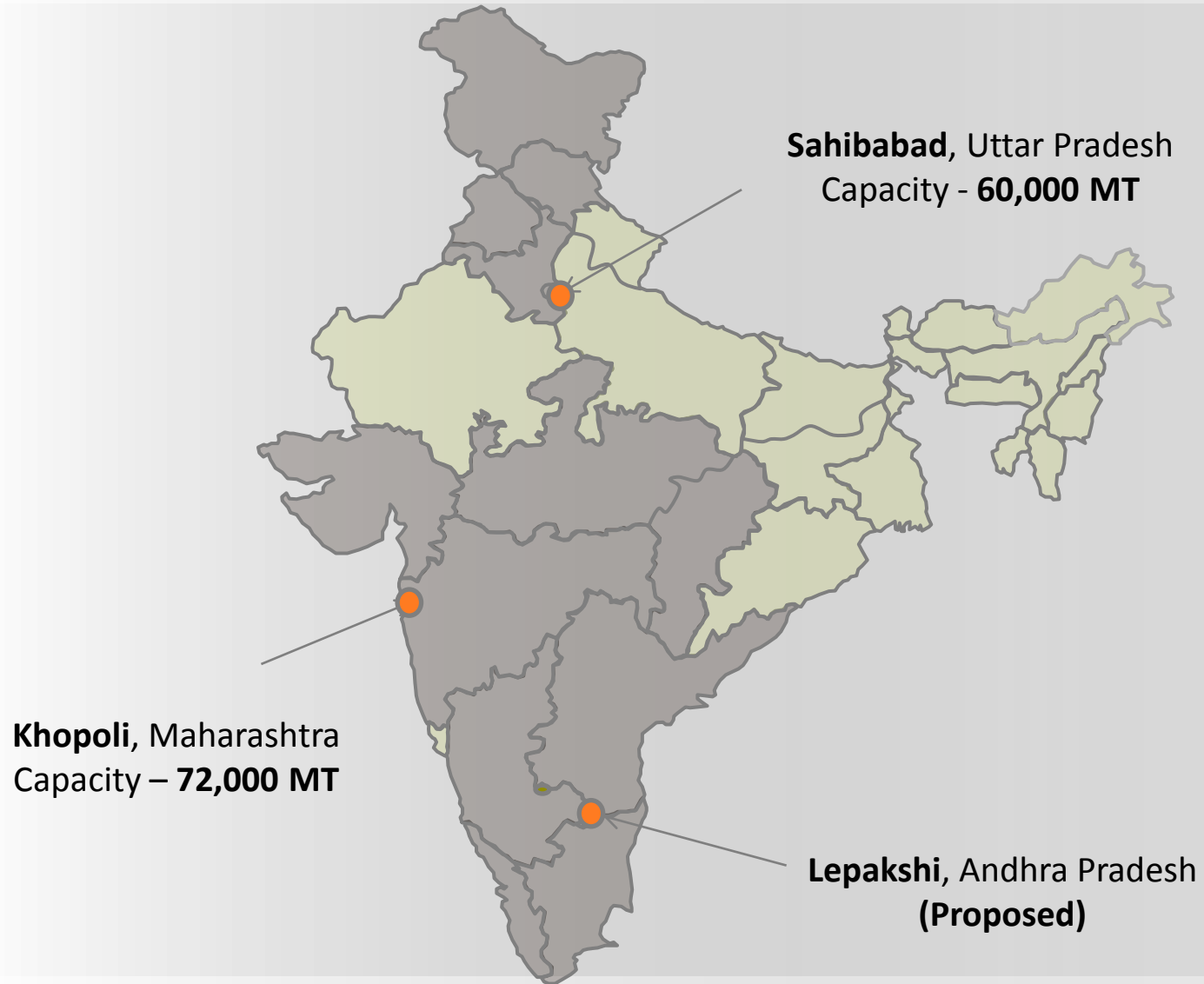


Diversified clientele with over 200 dealer distributors & association with Reliance, DLF, GAIL, Delhi Metro etc.

Close proximity to SAIL and other big steel suppliers

Attractive RoIs in excess of 30%, leads to handsome payback period

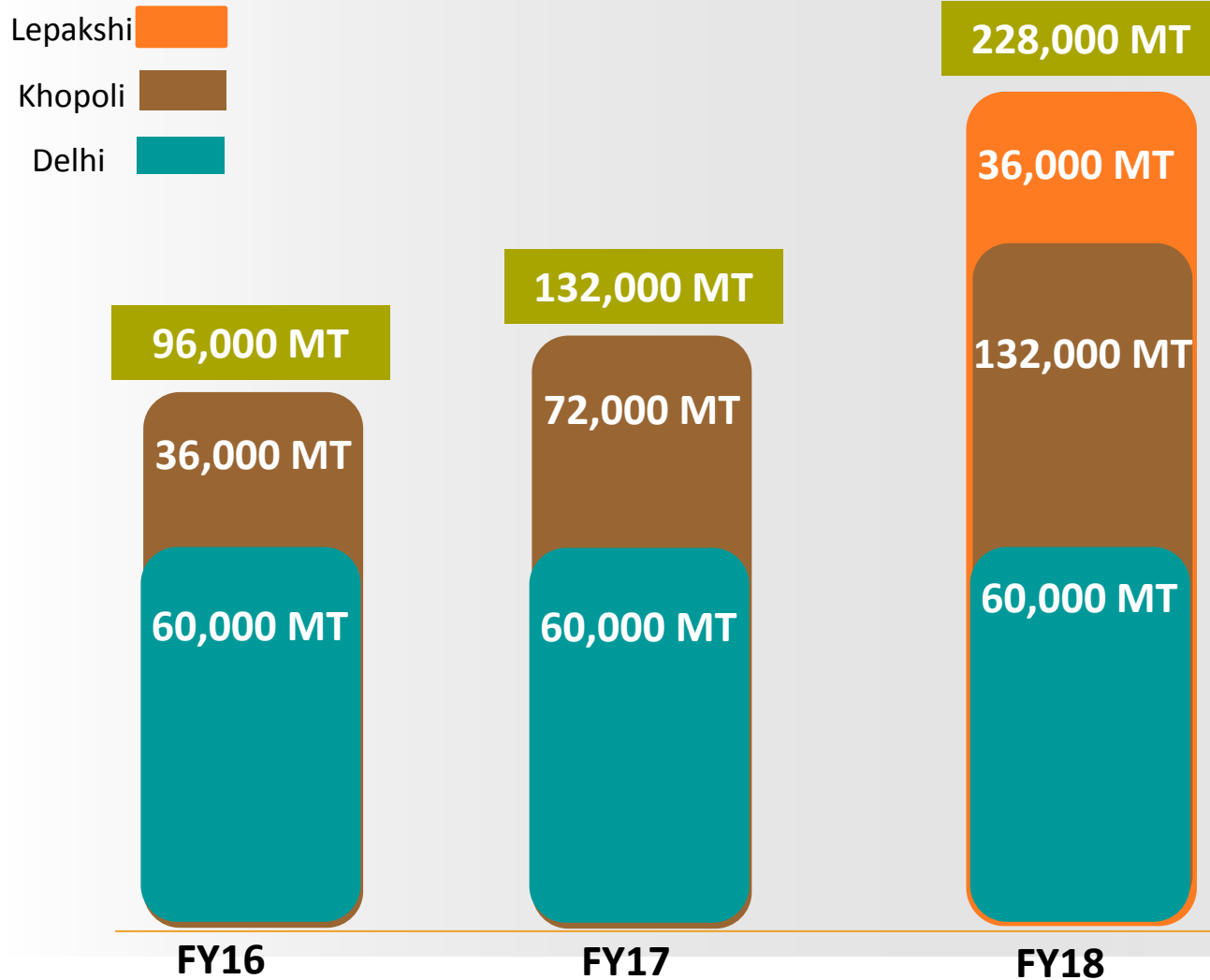
Fungible Manufacturing Facilities with Locational Advantage



- 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

Way Forward

Proposed expansion in Manufacturing Capacities



- After Successful entry in Western India – entering lucrative market of South India
- Closer to both - Market & Raw Material Suppliers
- Significant reduction in cost
- Adding Value Added Products (GP Pipes & GI Pipes) – command higher margins
- Resulting in improved Margins; incremental RoCEs and better RoEs



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