



AN ISO 9001 : 2008 CO.

Rama Steel Tubes Ltd.

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

CIN : L27201DL1974PLC007114

Regd. Office

No. 7, 1st Floor, Surya Niketan, Vikas Marg, New Delhi-110092 Ph. : 011-43656667, 43656668 Fax : 011-43656699
E-mail : investors@ramasteel.com, info@ramasteel.com, Website : www.ramasteel.com

December 11, 2017

To

The Manager - Listing National Stock Exchange of India Limited 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 and half year ended September 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



www.rama.com

Rama Steel Tubes Limited

Q2 & H1 FY18 Result Update Presentation

December 2017



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Certain matters discussed in this Presentation may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Presentation. The Company assumes no obligation to update any forward-looking information contained in this Presentation. Any forward-looking statements and projections made by third parties included in this Presentation are not adopted by the Company and the Company is not responsible for such third party statements and projections.



➤ **CEO's Message**



➤ **Consolidated Financial Performance**



➤ **Company Overview**

CEO's Message

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



“This quarter of Q2FY18, we have registered a revenue growth of 54% and recorded an excellent increase in our overall profit of 32% based on year-on-year comparison. We are delighted to report that we have maintained our Volumes growth on a YoY basis despite the prolonged unrest faced by the overall steel Industry and the start of GST. The steel prices during the quarter and the half year half been on the higher side. This is reflective of the demand coming in from the infrastructure and other consumption sectors of steel. This, in turn is good news for companies like ours as we will also be beneficiary of this demand. We are sure of maintaining the current growth momentum.

Our installed Solar Power plant at our Khopoli unit in Maharashtra has consistently given us significant amount of savings on the costs. Our focus will remain on improving and maintain operational efficiencies for a better profitability. Our operating efficiencies combined with capacity expansion has benefited us a lot. Through rigorous focus on execution and improving operational efficiencies, we have been able to consistently deliver superior performance. Our Continued association with existing clients, dealers and distributors and focus on entering into new geographies has helped us grow and maintain our volumes. Our relentless efforts and continued focus has helped us become a reckoned brand name in the Domestic and international market.

Our strategic plan of capacity expansion at Lepakshi, Southern India will further strengthen our geographical presence. This will make ourselves well equipped to take advantage of change in industry scenarios, with regards to positive impact of GST on the overall steel industry. We believe we are well positioned to capitalize on opportunities in the industry and will be able to increase our market share progressively.

At the same time, continuously improving conditions in infrastructure, construction and other related sectors will help in better performance. We are confident of better days ahead.”

Consolidated Financial Performance



Consolidated Financial Highlights – *Q2 FY18 Vs. *Q2 FY17

54% ↑

#Net Revenue

Rs. 91.3 cr

33% ↑

EBITDA

Rs 7.7 cr

32% ↑

PAT

Rs 3.5 cr

18% ↑

EPS

Rs. 2.06 Vs Rs. 1.75

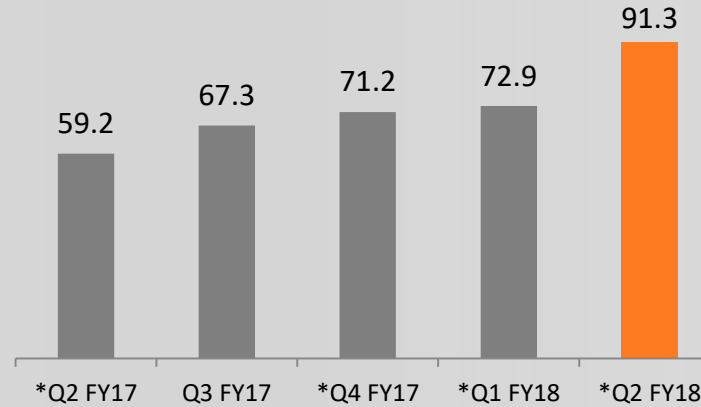
- **Revenue growth on account of better volume growth**
- **Installation of Solar Plant at Khopoli facility resulted in better operational efficiencies**

#Revenue Inclusive of Other Income (Income from JV)

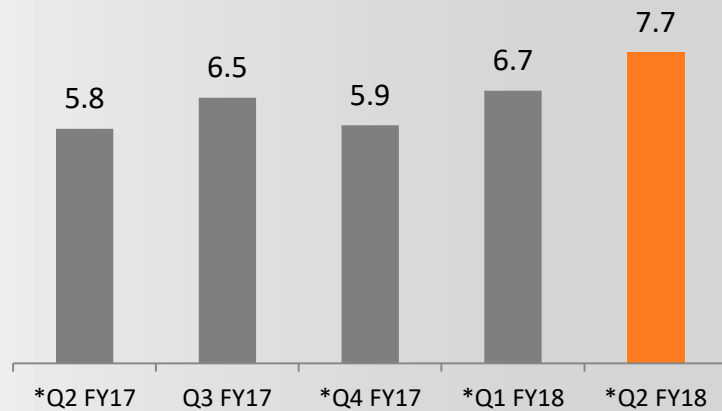
*Company adopted Indian Accounting Standards (Ind AS),

Consolidated Financial Highlights – Q2 FY18

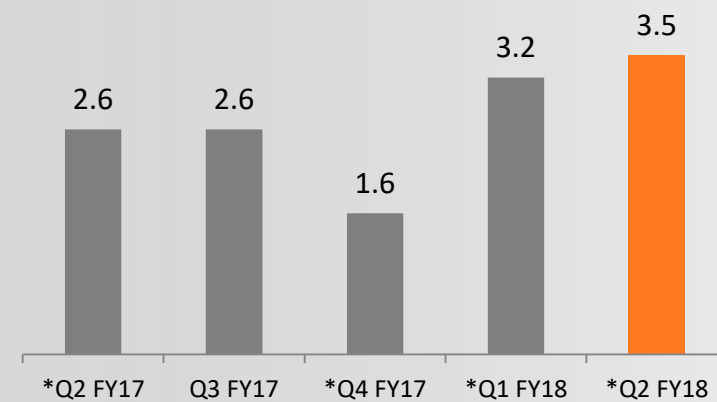
#Net Revenue (Rs. Crore)



EBITDA (Rs. Crore)



PAT (Rs. Crore)



#Revenue Inclusive of Other Income (Income from JV)

*Company adopted Indian Accounting Standards (Ind AS),

Consolidated Quarterly Financial Highlights

Rs. Crore	*Q2 FY18	*Q2 FY17	YoY%	*Q1 FY18	QoQ%
Total Income from Operations	90.61	65.15		76.96	
Less: Excise Duty	0.00	6.32		5.49	
Other Income	0.70	0.33		1.43	
Net Revenue #	91.31	59.16	54%	72.90	25%
Raw Materials	79.65	49.82		61.89	
Employee Cost	1.02	0.76		1.01	
Other Cost	2.99	2.81		3.29	
Total Expenditure	83.66	53.39		66.19	
EBITDA	7.65	5.77	33%	6.71	14%
EBIDTA Margin (%)	8.38%	9.75%		9.21%	
Interest	1.64	1.48		1.49	
Depreciation	0.90	0.67		0.85	
Profit Before Tax	5.11	3.62		4.37	
Tax	1.65	1.00		1.12	
Profit After Tax	3.46	2.62	32%	3.25	7%
PAT Margin (%)	3.79%	4.43%		4.45%	
EPS	2.06	1.75	18%	1.97	5%

#Revenue Inclusive of Other Income (Income from JV)

*Company adopted Indian Accounting Standards (Ind AS),

Consolidated Financial Highlights – *H1 FY18 Vs. *H1 FY17

31% ↑

#Net Revenue

Rs. 164.2 cr

28% ↑

EBITDA

Rs 14.4 cr

29% ↑

PAT

Rs 6.7 cr

15% ↑

EPS

Rs. 4.03 Vs Rs. 3.49

#Revenue Inclusive of Other Income (Income from JV)

*Company adopted Indian Accounting Standards (Ind AS),

Consolidated Half Yearly Financial Highlights

Rs. Crore	*H1 FY18	*H1 FY17	Y-o-Y%
Total Income from Operations	167.57	137.25	
Less: Excise Duty	5.49	13.00	
Other Income	2.13	0.81	
Net Revenue #	164.21	125.06	31%
Raw Materials	141.54	106.25	
Employee Cost	2.03	1.47	
Other Cost	6.27	6.10	
Total Expenditure	149.83	113.82	
EBITDA	14.37	11.24	28%
EBIDTA Margin (%)	8.75%	8.99%	
Interest	3.14	2.74	
Depreciation	1.75	1.22	
Profit Before Tax	9.48	7.28	
Tax	2.77	2.07	
Profit After Tax	6.71	5.21	29%
PAT Margin (%)	4.09%	4.17%	
EPS	4.03	3.49	15%

#Revenue Inclusive of Other Income (Income from JV)

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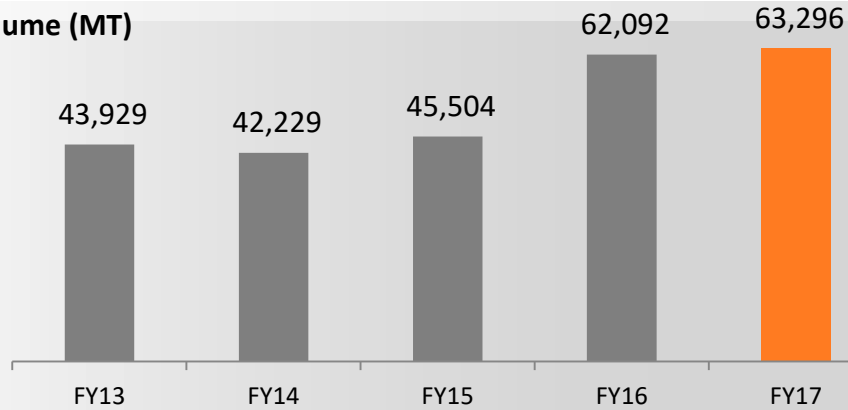
Consolidated Balance Sheet Highlights – As on 30th Sept'17

Rs. in Crore	Sept-17	Sept-16
Equity	66.14	52.48
Equity Share Capital	8.40	8.02
Other Equity	57.74	44.46
Non Current Liabilities	14.87	15.57
Financial Liabilities		
i) Borrowing	13.62	14.27
Provisions	0.34	0.34
Deferred Tax Liabilities (Net)	0.65	0.63
Other Financial Liabilities	0.26	0.34
Current Liabilities	79.71	67.13
Financial Liabilities		
i) Borrowings	43.96	40.25
ii) Trade Payables	21.66	15.39
iii) Other Financial Liabilities	1.56	2.17
Provisions	0.22	0.19
Other Current Liabilities	7.87	7.35
Current Tax Liabilities (Net)	4.44	1.78
Total Liabilities	160.72	135.18

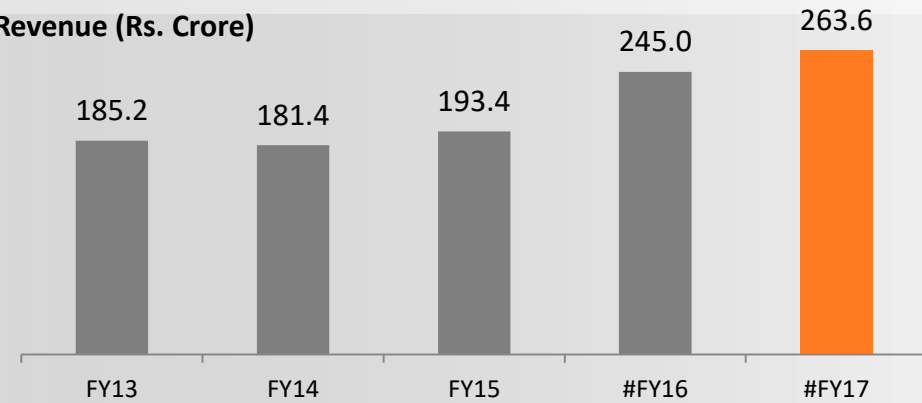
Rs. in Crore	Sept-17	Sept-16
Non-current Assets	37.32	32.73
Property, Plant and Equipment	21.70	22.88
Capital WIP	8.33	1.14
Investment Property	2.88	2.99
Intangible Assets	0.08	0.10
Investments in JV	2.59	2.20
Financial Assets		
i) Investments	0.00	0.00
ii) Other Financial Assets	0.83	2.00
iii) Loans	0.02	0.00
Other Non Current Assets	0.89	1.42
Current Assets	123.40	102.45
Inventories	54.68	51.44
Financial Assets		
i) Trade Receivables	45.41	32.78
ii) Cash & Cash Equivalent	6.60	7.65
iii) Bank Balance other than above	0.00	0.00
iv) Other Financial Assets	0.25	0.14
Other Current Assets	16.46	10.44
Total Assets	160.72	135.18

Strong Operational Performance

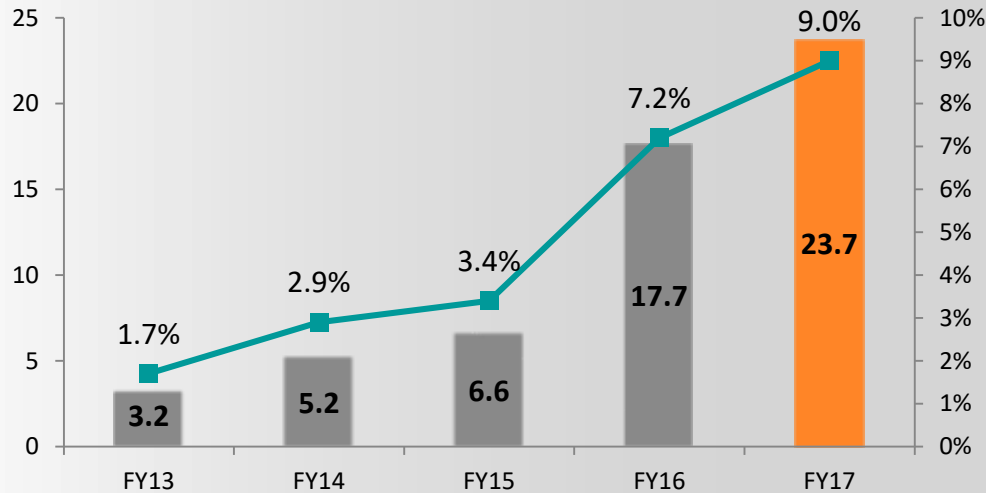
Volume (MT)



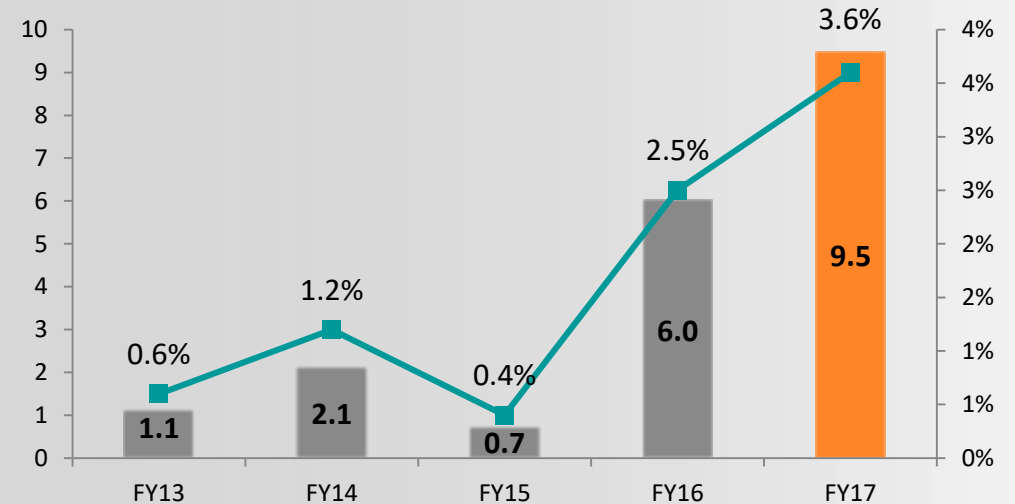
Net Revenue (Rs. Crore)



EBITDA (Rs. Crore) / Margin (%)



PAT (Rs. Crore) / Margin (%)



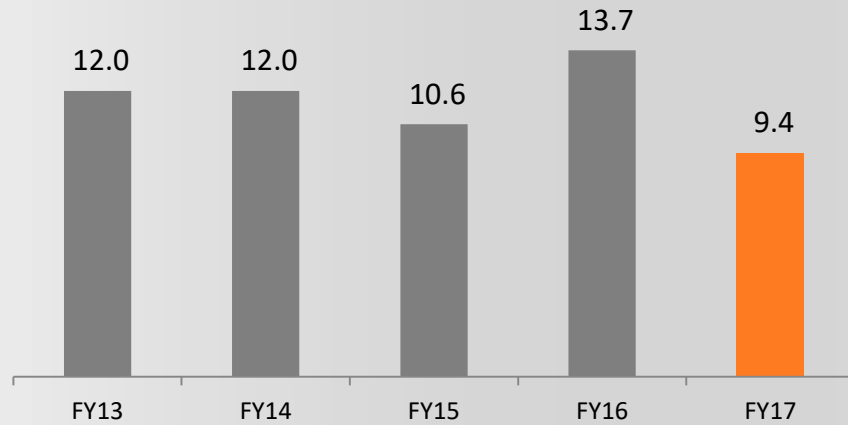
Registered volume growth of 2%, despite challenging market conditions and impact of demonetization....

#Revenue Inclusive of Other Income (Income from JV)

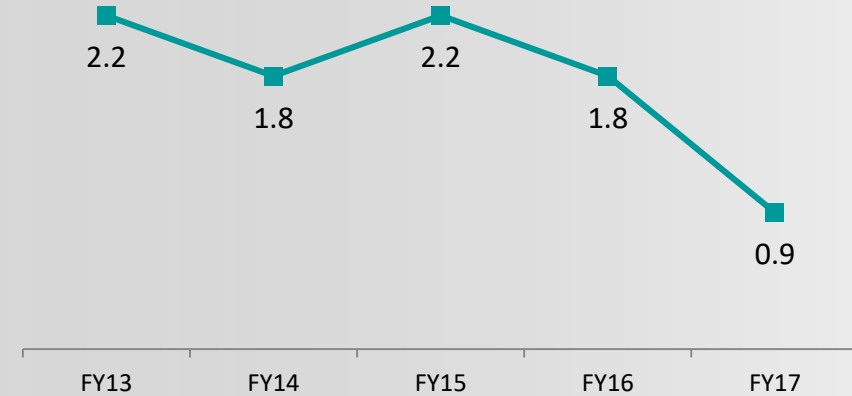
*Company adopted Indian Accounting Standards (Ind AS),

Strengthening Balance Sheet

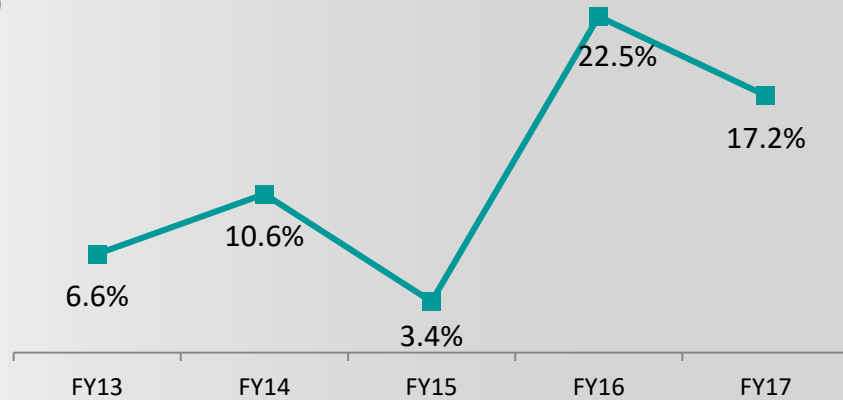
Total Asset Turnover (x)



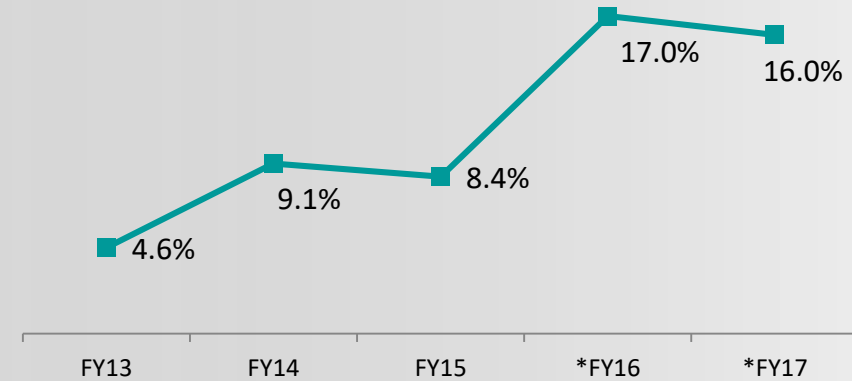
Net Debt/Equity (x)



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 Annual Performance

Rs. Crore	*FY17	FY16
Total Income from Operations	284.42	264.00
Less: Excise Duty	24.70	22.05
Other Income	3.88	3.08
Net Revenue #	263.60	245.03
Raw Materials	223.96	212.22
Employee Cost	3.44	3.12
Other Cost	12.48	12.03
Total Expenditure	239.89	227.37
EBITDA	23.71	17.65
EBIDTA Margin (%)	9.00%	7.20%
Interest	7.68	6.18
Depreciation	2.91	2.85
Profit Before Tax	13.13	8.62
Tax	3.66	2.60
Profit After Tax	9.47	6.03
PAT Margin (%)	3.60%	2.46%
EPS	6.34	4.03

#Revenue Inclusive of Other Income (Income from JV)

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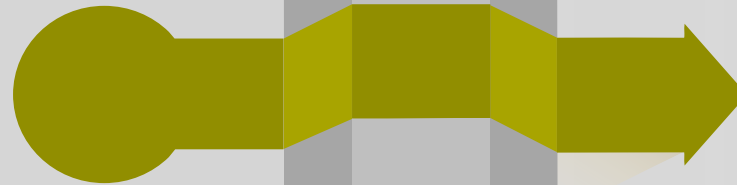
Consolidated Balance Sheet Highlights - As on 31st March'17

Rs. Crore	As on 31 st Mar-17	As on 31 st Mar-16
Shareholder's Funds	52.74	26.72
Share capital	8.02	8.47
Reserves & Surplus	40.15	18.25
Money received against warrants	4.58	-
Non-current liabilities	15.63	17.15
Long term borrowings	14.67	16.82
Defer Tax liabilities	0.62	0.32
Other Long-Term liabilities	-	-
Long-Term Provisions	0.34	-
Current liabilities	67.08	63.32
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
Total Equities & Liabilities	135.45	107.19

Rs. Crore	As on 31 st Mar-17	As on 31 st Mar-16
Non-current assets	33.05	30.94
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	-
Current Assets	102.40	76.25
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
Total Assets	135.45	107.19

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

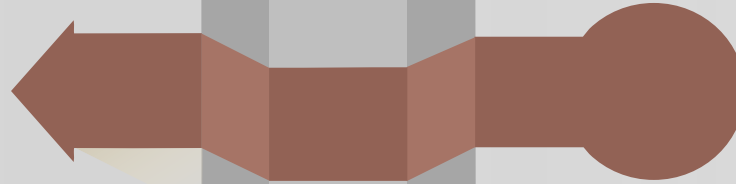


State of Art manufacturing facilities

- 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



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

Kapil Datta
CS

- Over 3 years of experience as a Company Secretary
- Post graduate in commerce & member on the Institute of Company Secretaries of India







Anil Sharma
GM operations

- Over 30 years of industry experience
- B Sc graduate & responsible for managing operations at Lepakshi Facility

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
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

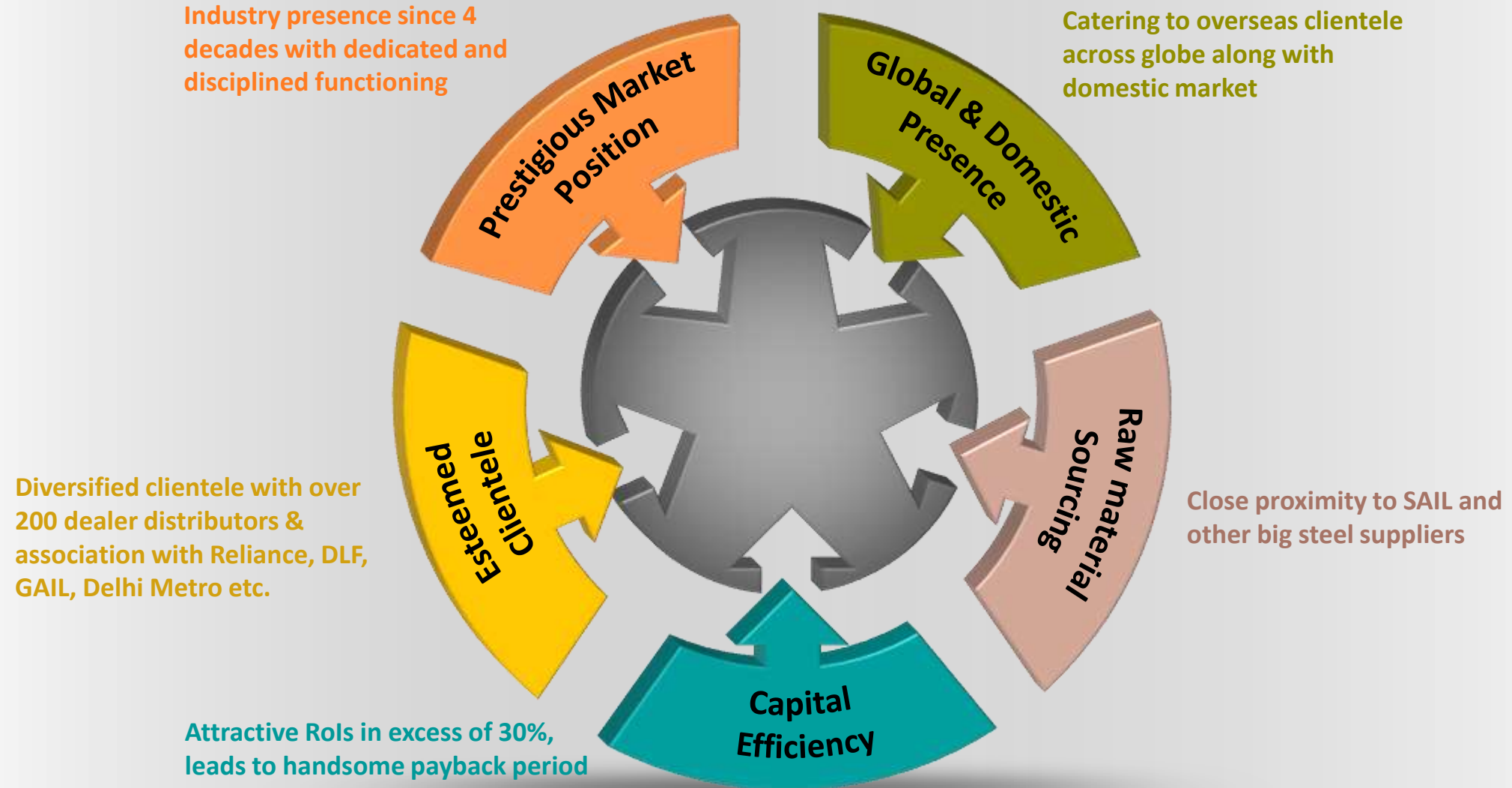
Products Well Accepted Over Globe



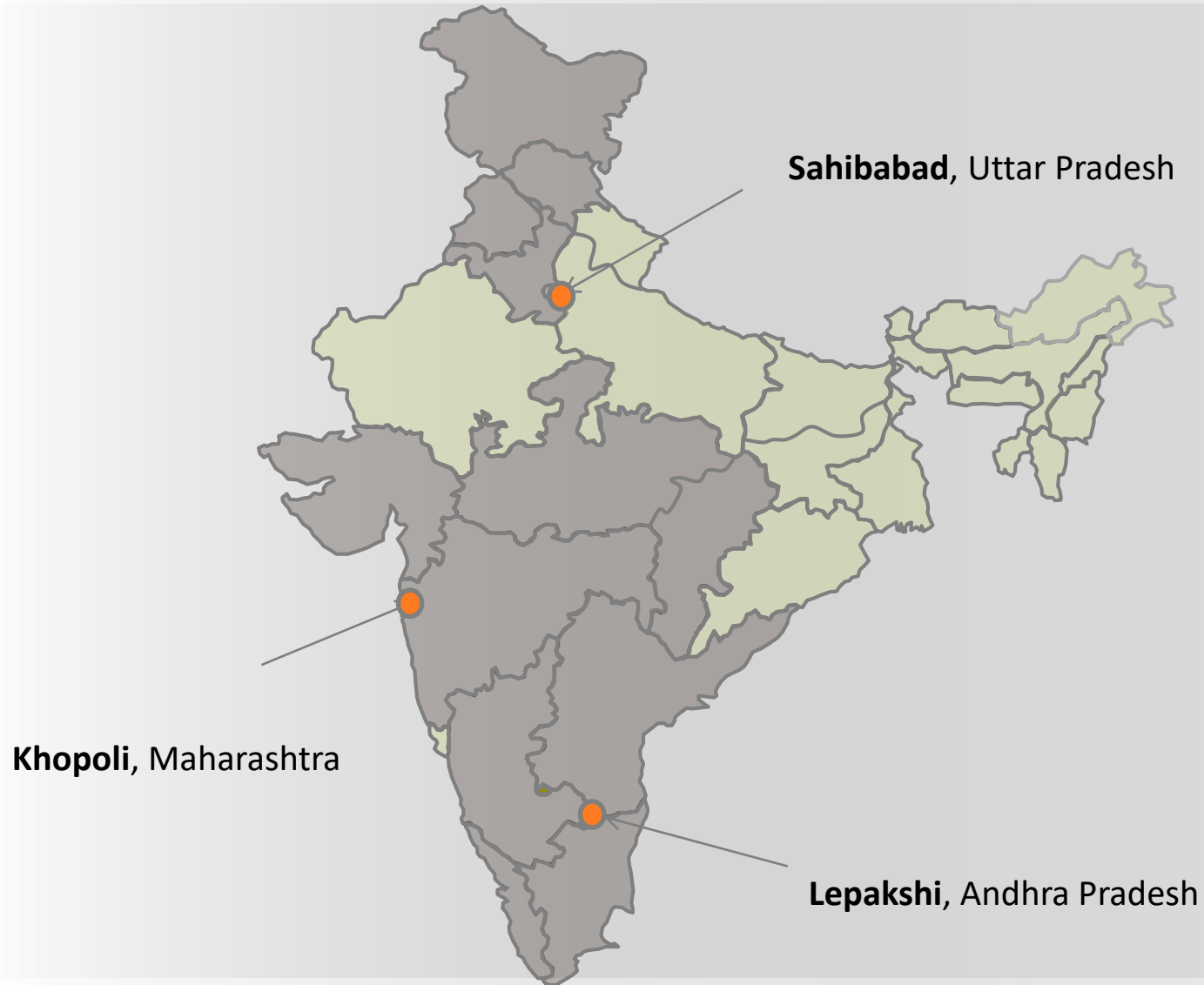
*100% Owned Subsidiary
"RST International Trading FZE" in Dubai
(since 2 years), trading in Flat Steel
Products, Polymers, Machinery

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

Thank You



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 **RAMASTEEL**

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For further information, please contact:

Company :	Investor Relations Advisors :
Rama Steel Tubes Ltd.	Bridge Investor Relations Pvt. Ltd.
Mr. Richi Bansal CEO ceo@ramasteel.com	Ms. Savli Mangle savli@bridge-ir.com
Website www.ramasteel.com	Mr. Amit Sharma amit@bridge-ir.com
	Website www.bridge-ir.com