



Rama Steel Tubes Limited

Q4 & FY17 Result Update Presentation

May 2017



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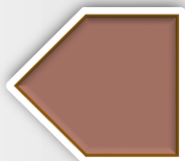
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➤ **CEO's Message**



➤ **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 financial full year end FY16-17, we have registered a revenue growth of over 7% and a good increase in our overall profit by over 50%. This growth has been driven across all product segments. Our operating efficiencies combined with capacity expansion has benefited us a lot. Despite challenging market conditions and impact of demonetization, our Company achieved its target for the full year.

Due to demonetization and volatile steel prices we registered muted volume growth than expected during the fourth quarter, also external market challenges did affect our volumes in the late second half of FY17. The overall steel pipe industry was impacted by the demonetization effect along with passive volume performance. Going forward, our focus remains on growing with stronger momentum in the coming quarters and we are poised to deliver good growth in the coming year.

I am happy to inform you that our Company has recently bagged prestigious export orders worth Rs. 30 Crores for ERW pipes, which will be executed from our Delhi facility. This facility has an overall manufacturing capacity of 60,000 MT per annum. We are very excited with these new orders coming in. These orders will boost the performance of our Company.

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.

These products are in great demand and this demand is increasing. We plan to increase our capacity along with increasing the number of our dealers and distributor network, driving the growth of our Company. We also plan to venture into value added products like Pre-Galvanized Tubes. With Increase in our capacity utilizations and foraying into value added products will bring in improved margins.

Our Company is very well placed to leverage on the Government's new reforms – GST, which will greatly help organized players like us. Also, continuously improving conditions in infrastructure, construction and other related sectors will help in better performance.

Our Company's strong focus on consistent and very high quality combined with timely delivery has been the trademark from years and our biggest strength leading to increased confidence of clients to a continuous flow of orders."



Consolidated Quarterly & Annual Financial Performance



Consolidated Financial Highlights - FY17

7%



Revenue

Rs. 259.7 cr

36%



EBITDA

Rs 19.8 cr

160bps



EBITDA Margin

7.6%

50%



PAT

Rs 9.1 cr

100 bps



PAT Margin

3.5%

51%

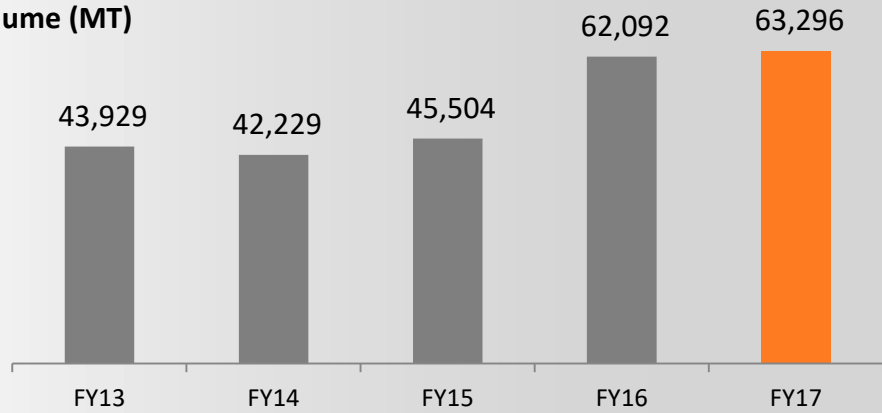


EPS

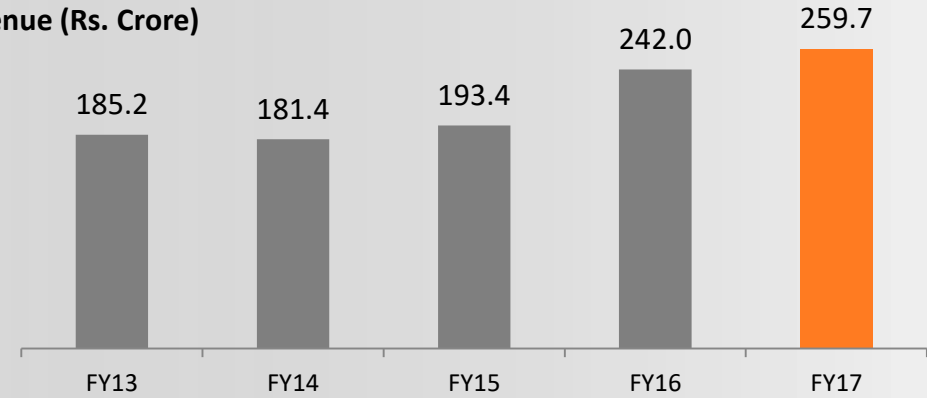
Rs. 6.07 (FY17) Vs Rs. 4.03 (FY16)

Strong Operational Performance

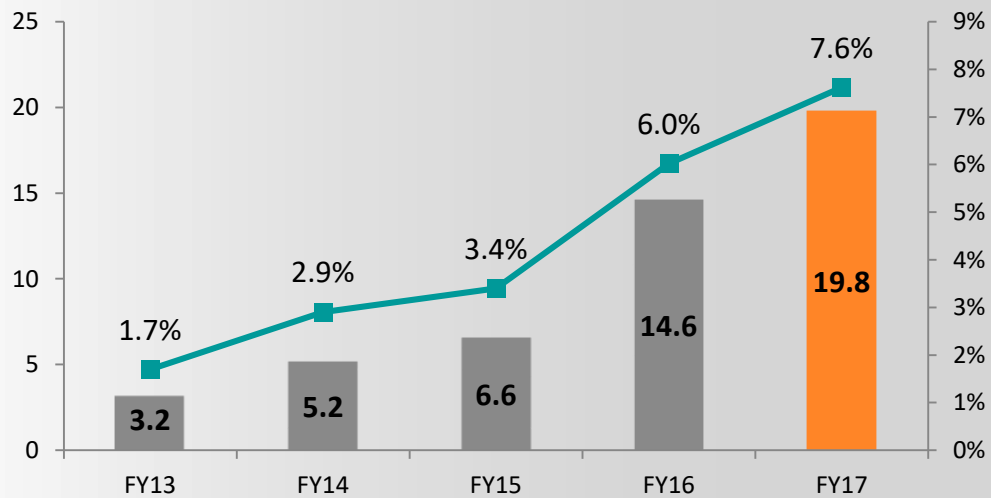
Volume (MT)



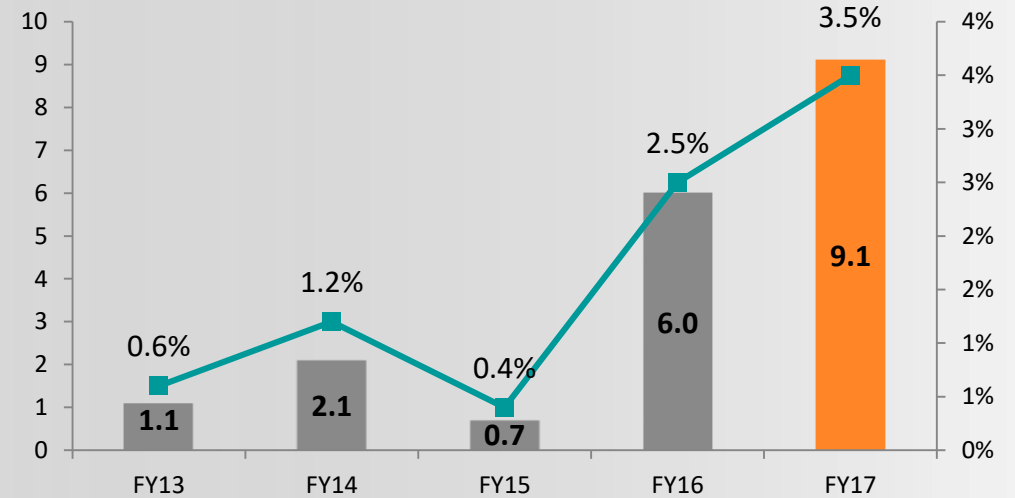
Revenue (Rs. Crore)



EBITDA (Rs. Crore) / Margin (%)



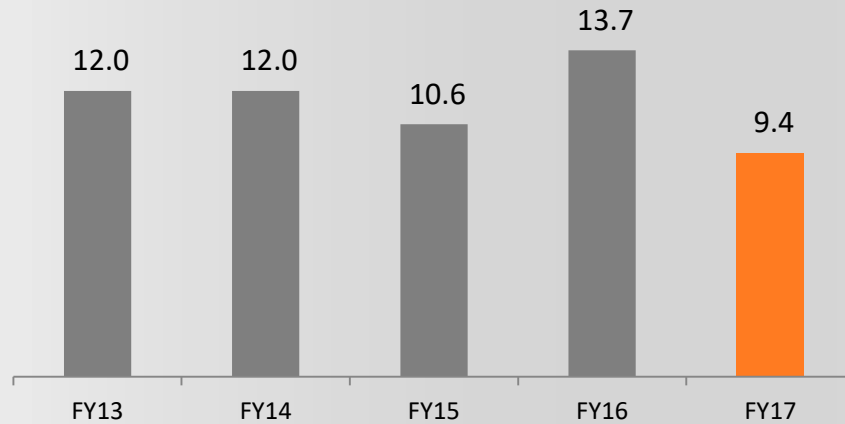
PAT (Rs. Crore) / Margin (%)



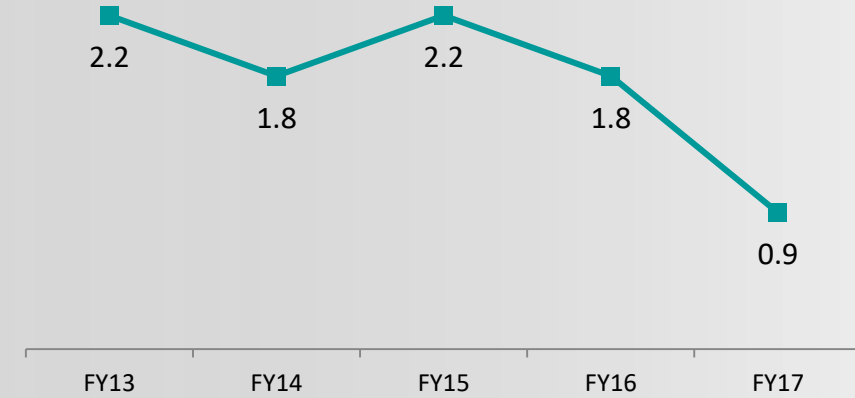
Registered volume growth of 2%, despite challenging market conditions and impact of demonetization.....

Strengthening Balance Sheet

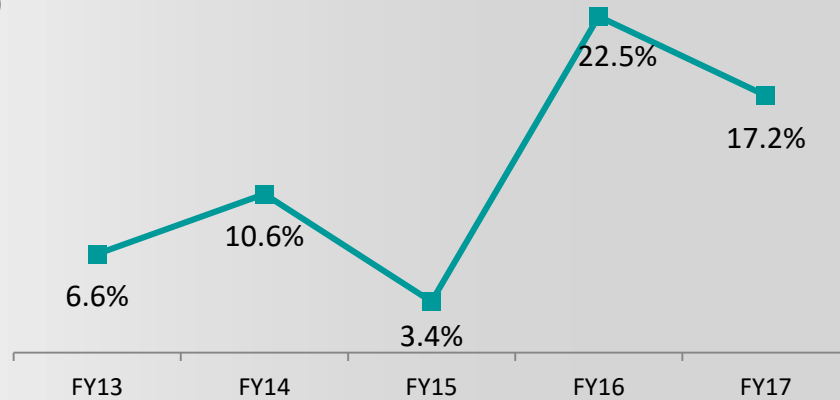
Total Asset Turnover (x)



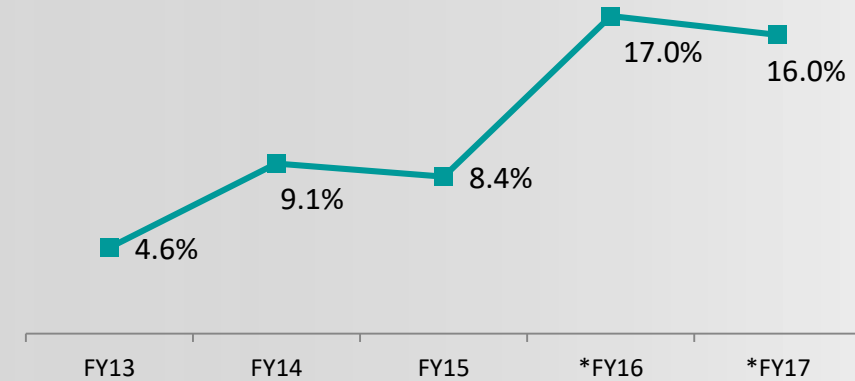
Net Debt/Equity (x)



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	Q4 FY17	Q4 FY16	Q3 FY17	FY17	FY16	YoY %
Total Income from Operations	68.87	81.70	66.60	259.73	241.95	7%
Raw Materials	60.86	70.61	57.52	225.38	212.22	
Employee Cost	1.19	0.67	0.83	3.49	3.12	
Other Cost	3.29	3.76	2.42	11.06	12.03	
Total Expenditure	65.34	75.04	60.77	239.93	227.37	
EBITDA	3.53	6.65	5.83	19.80	14.58	36%
EBIDTA margin (%)	5.13%	8.14%	8.75%	7.62%	6.02%	160 bps
Interest	2.79	1.47	2.12	7.62	6.18	
Depreciation	0.80	0.76	0.89	2.91	2.85	
Other Income	2.33	(0.64)	0.71	3.84	3.08	
Exceptional Item	0.40	0.00	0.00	0.40	0.00	
Profit Before Tax	1.87	3.78	3.53	12.71	8.62	
Tax	0.67	1.48	0.90	3.65	2.60	
Profit After Tax	1.20	2.30	2.63	9.06	6.03	50%
PAT Margin (%)	1.74%	2.81%	3.94%	3.49%	2.49%	100 bps

Decline in quarterly performance on account of challenging market conditions, volatility in steel prices and impact of demonetization.....

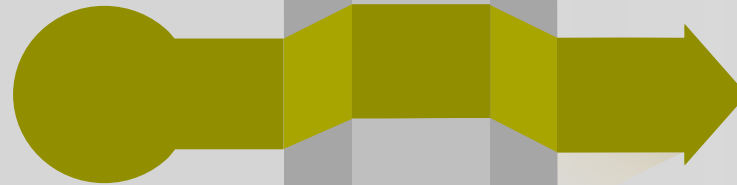
Consolidated Balance Sheet Highlights

Rs. Crore	Mar-17	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	Mar-17	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

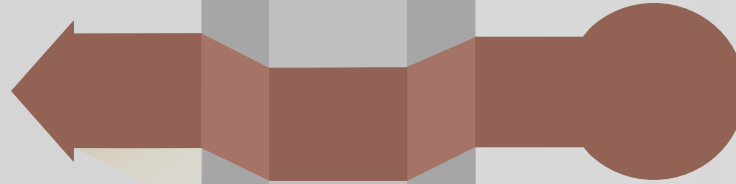


State of Art manufacturing facilities

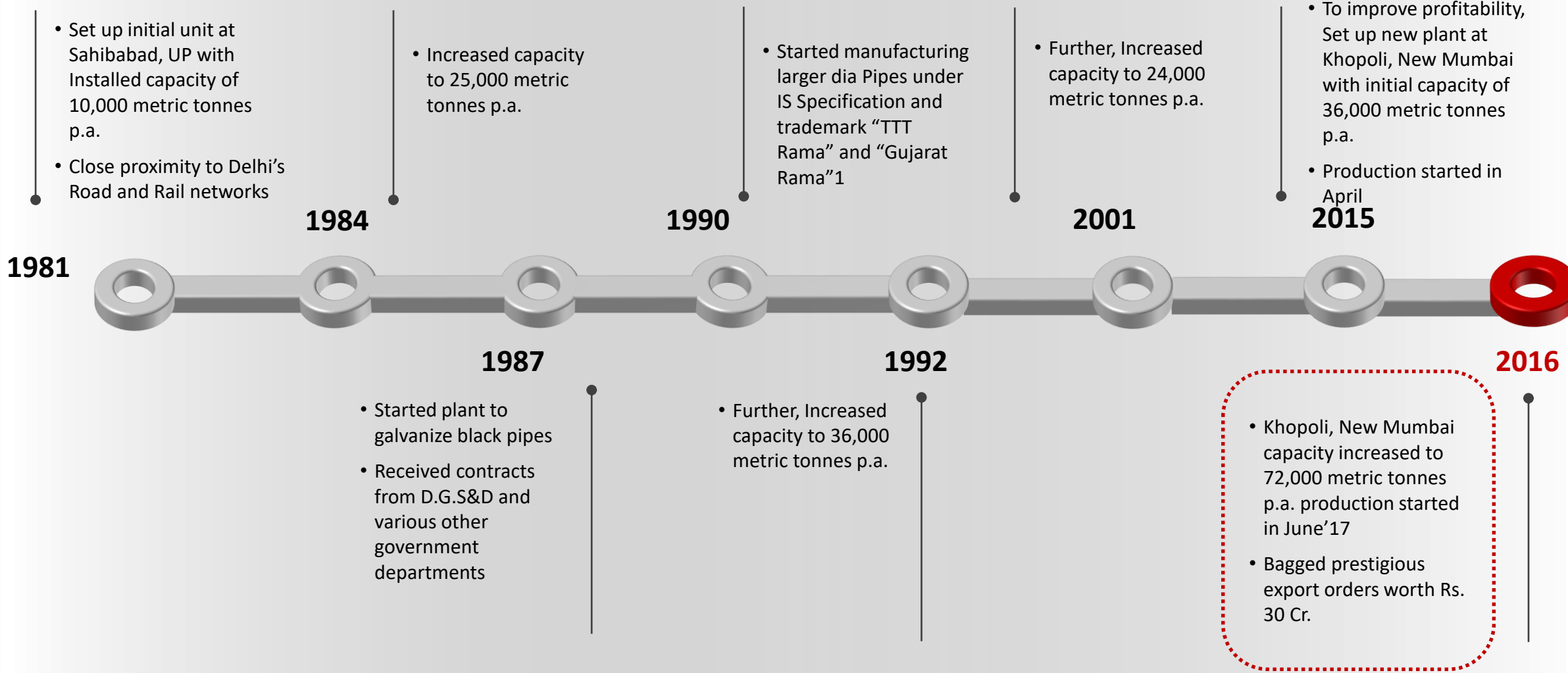
- Two state of art manufacturing facilities in Sahibabad and Khopoli
- Plans to foray into South India with facility at Lepakshi

Robust Exports

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



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

J.M. Singhal
President Operations

- More than three decades of experience in industrial projects, engineering and management affairs. Vast experience in the steel industry
- B. Tech in Electronics from REC Kurukshetra, Haryana







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

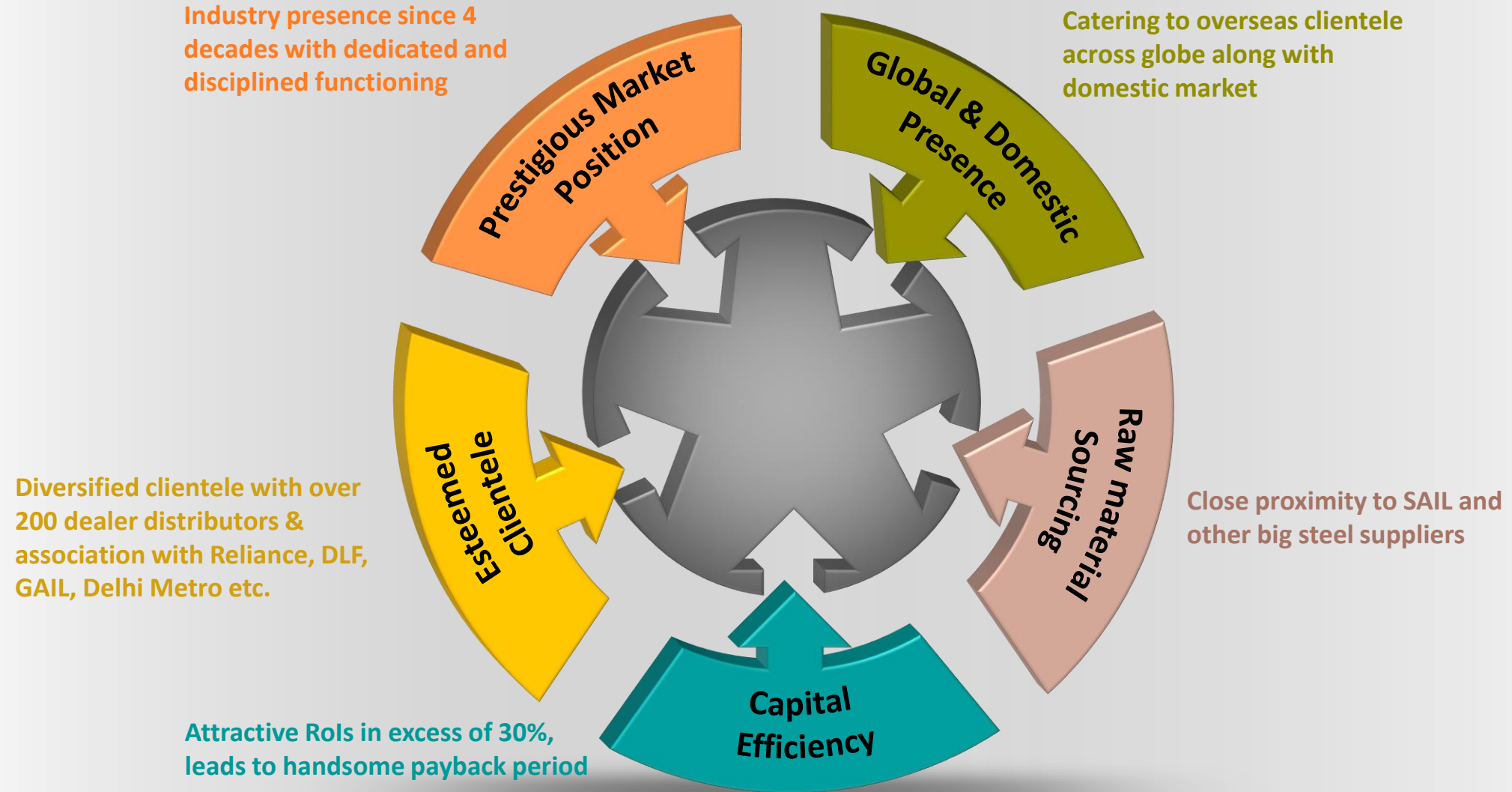
Product		Applications
ERW Galvanised Steel Pipes & Tubes		Water pipeline, Tubewells, Gas Pipelines, Oil Pipelines, Cross Country Pipelines
ERW Black Steel Pipes & Tubes		Road Barriers, Temporary Fencing, Steel Gates and Windows, Horse Riding Fence, Parking Lots, Steel Buildings, Industrial Gates
Scaffolding 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

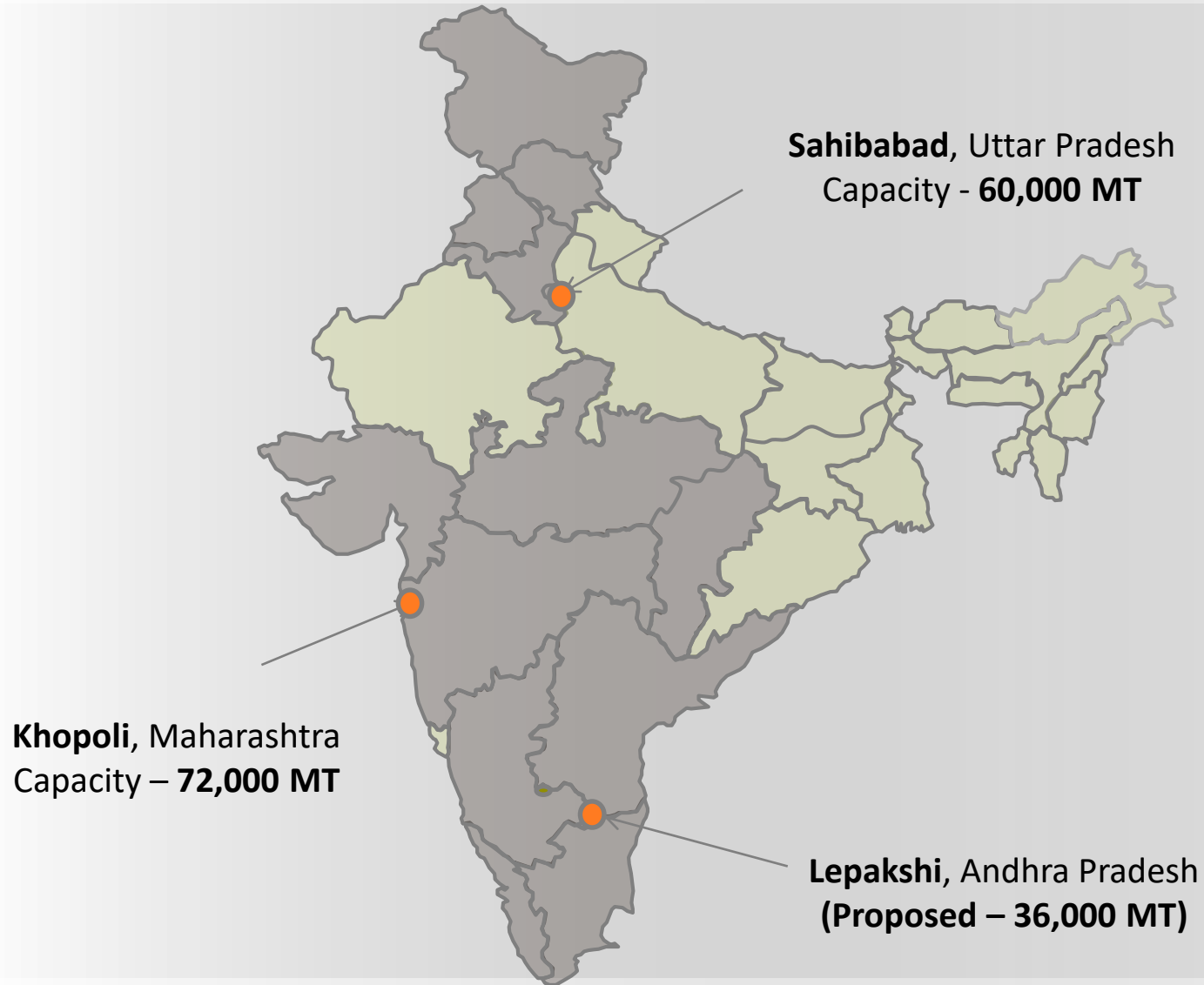


Established & Strong Brand Name - “TTT RAMA”

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



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 **NSE** RAMASTEEL

 **Bloomberg** RASTL

 **REUTERS** RAMA.NS

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