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# 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**

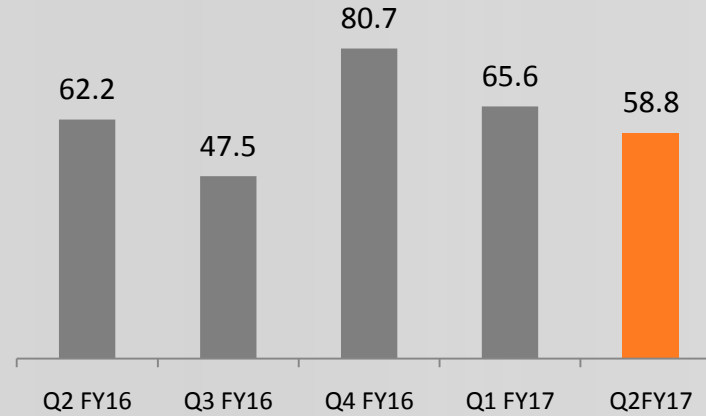
Vs Rs. 14.03 (H1 FY16)

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

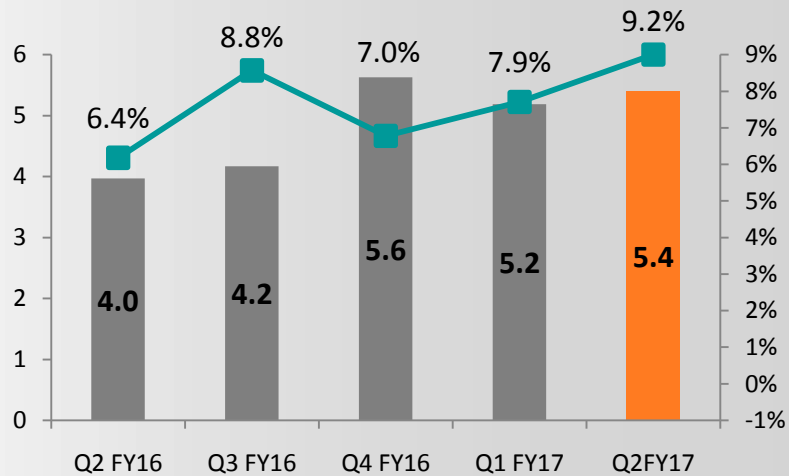
*\*Number of shares increased by Ten times*

# Consolidated Financial Highlights – Q2 FY17

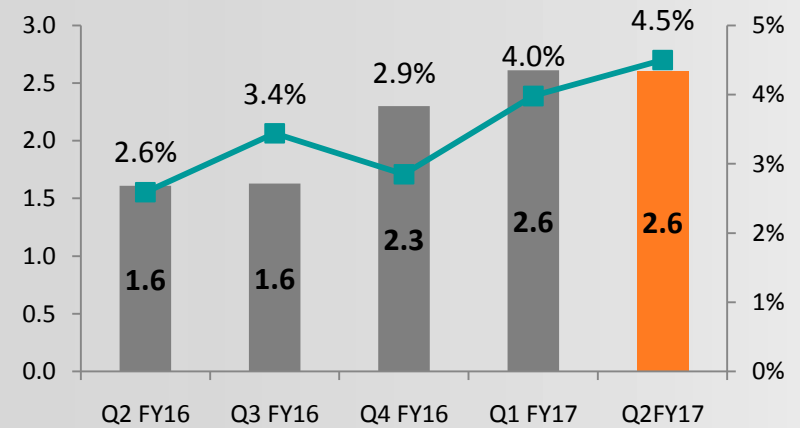
**Revenue (Rs. Crore)**



**EBITDA (Rs. Crore) / Margin (%)**

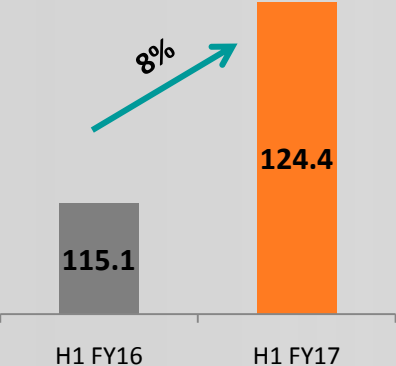


**PAT (Rs. Crore) / Margin (%)**

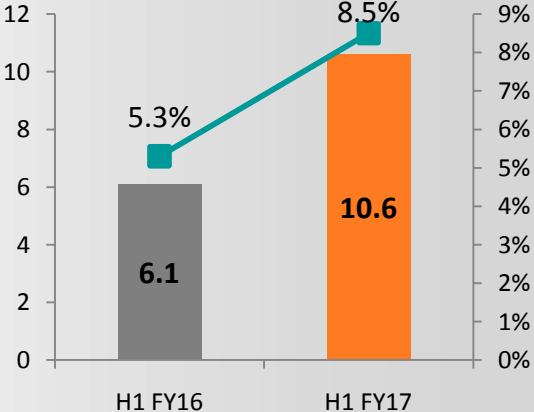


# Consolidated Financial Highlights – H1 FY17

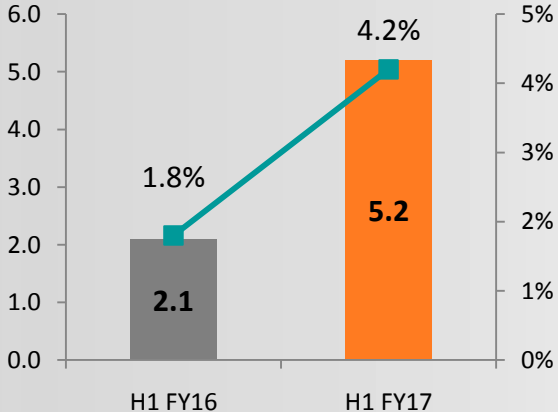
**Revenue (Rs. Crore)**



**EBITDA (Rs. Crore) / Margin (%)**

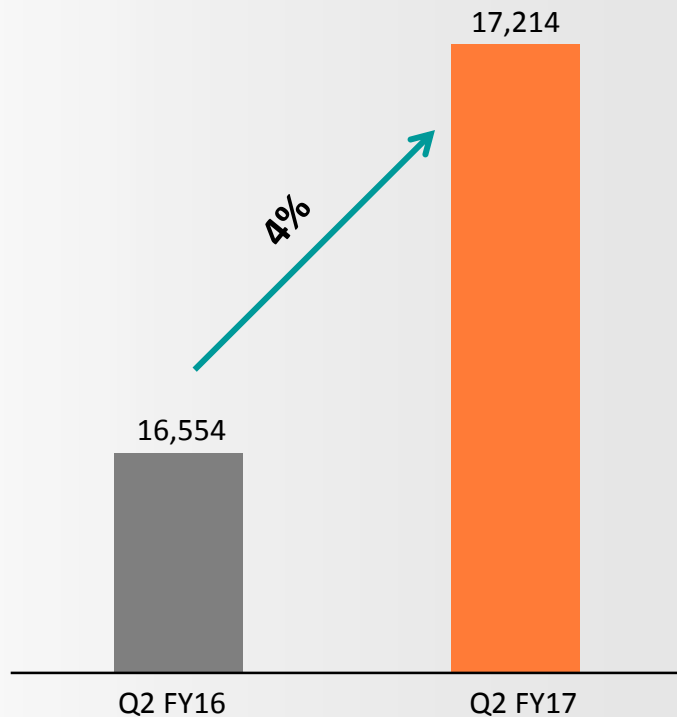


**PAT (Rs. Crore) / Margin (%)**



# 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 %
<b>Total Income from Operations</b>	<b>58.79</b>	<b>62.23</b>	<b>(6%)</b>	<b>65.61</b>	<b>(10%)</b>
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	
<b>EBITDA</b>	<b>5.42</b>	<b>3.97</b>	<b>37%</b>	<b>5.19</b>	<b>5%</b>
<b>EBIDTA margin (%)</b>	<b>9.22%</b>	<b>6.38%</b>	<b>284 bps</b>	<b>7.90%</b>	<b>132 bps</b>
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	
<b>Profit After Tax</b>	<b>2.62</b>	<b>1.61</b>	<b>63%</b>	<b>2.61</b>	<b>0.5%</b>
<b>PAT Margin (%)</b>	<b>4.46%</b>	<b>2.59%</b>	<b>187 bps</b>	<b>3.97%</b>	<b>49 bps</b>

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

# Consolidated Half Yearly Profitability Highlights

Rs. Crores	H1 FY17	H1 FY16	YoY %
<b>Total Income from Operations</b>	<b>124.40</b>	<b>115.13</b>	<b>8%</b>
Raw Materials	106.99	102.11	
Employee Cost	1.47	1.52	
Other Cost	5.35	5.38	
Total Expenditure	113.81	109.01	
<b>EBITDA</b>	<b>10.59</b>	<b>6.12</b>	<b>73%</b>
<b>EBIDTA margin (%)</b>	<b>8.51%</b>	<b>5.32%</b>	<b>319 bps</b>
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	
<b>Profit After Tax</b>	<b>5.23</b>	<b>2.09</b>	<b>150%</b>
<b>PAT Margin (%)</b>	<b>4.20%</b>	<b>1.82%</b>	<b>238 bps</b>

# Consolidated Half Yearly Balance Sheet Highlights

Rs. Crores	Sep-16	Sep-15
<b>Shareholder's Funds</b>	<b>31.96</b>	<b>22.79</b>
Share capital	8.47	2.49
Reserves & Surplus	23.49	20.30
<b>Non-current liabilities</b>	<b>14.51</b>	<b>18.73</b>
Long term borrowings	14.17	18.40
Defer Tax liabilities	0.34	0.33
Other Long-Term liabilities	-	-
Long-Term Provisions	-	-
<b>Current liabilities</b>	<b>66.15</b>	<b>60.90</b>
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
<b>Total Equities &amp; Liabilities</b>	<b>112.62</b>	<b>102.42</b>

Rs. Crores	Sep-16	Sep-15
<b>Non-current assets</b>	<b>23.57</b>	<b>31.99</b>
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	-	-
<b>Current assets</b>	<b>89.04</b>	<b>70.43</b>
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	-	-
<b>Total Assets</b>	<b>112.62</b>	<b>102.42</b>



# 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**

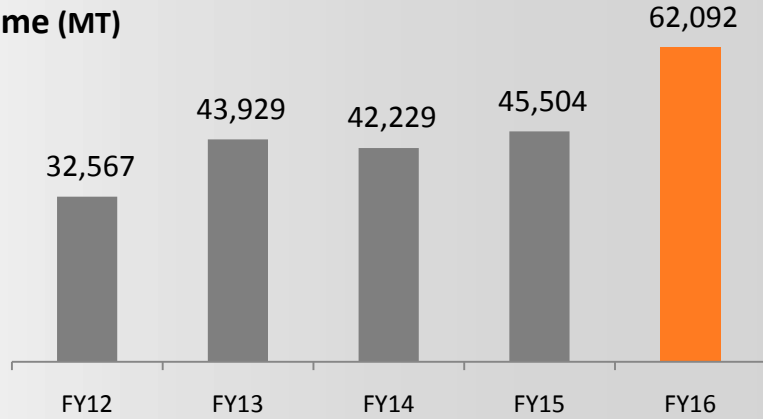
**Asset TO**

Vs 10.6x (FY15)

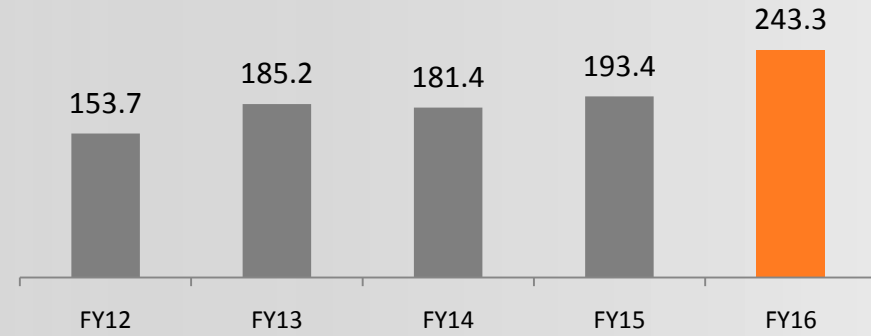
...Highest Industry Asset Turnover

# Strong Operational Performance

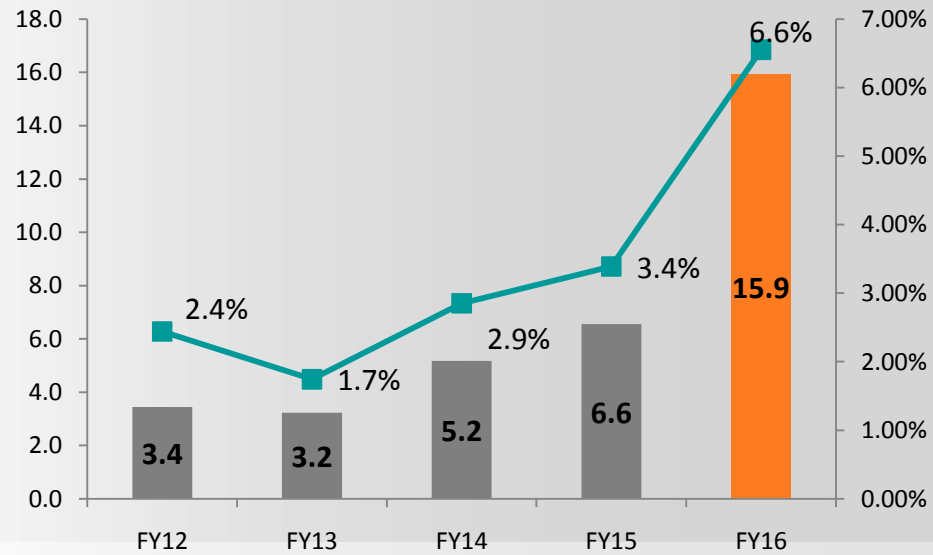
Volume (MT)



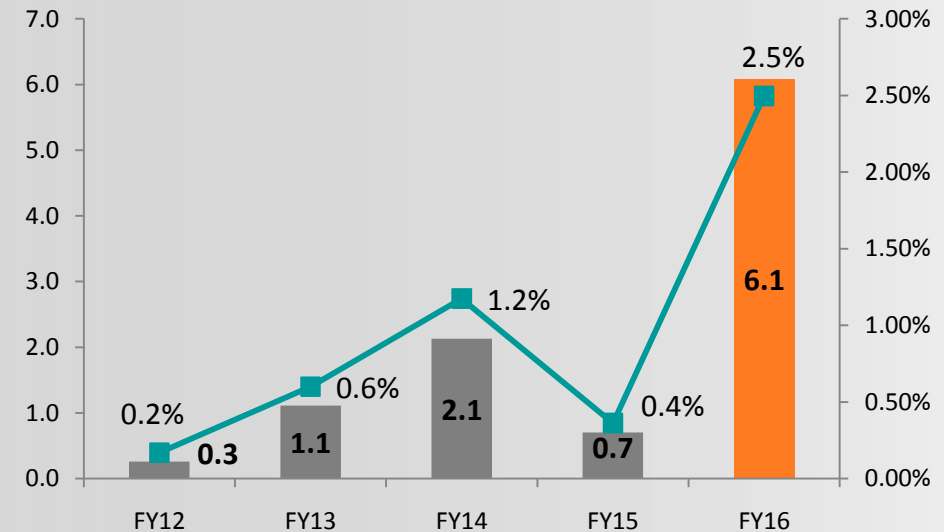
Revenue (Rs. Crore)



EBITDA (Rs. Crore) / Margin (%)

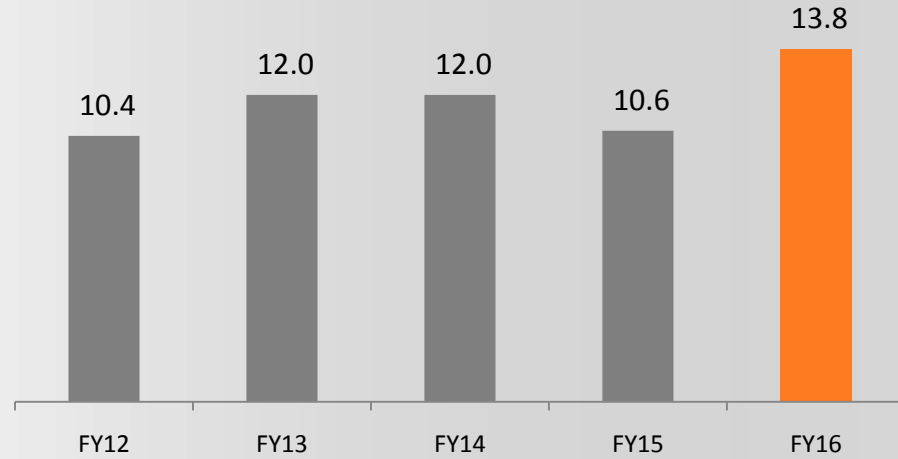


PAT (Rs. Crore) / Margin (%)

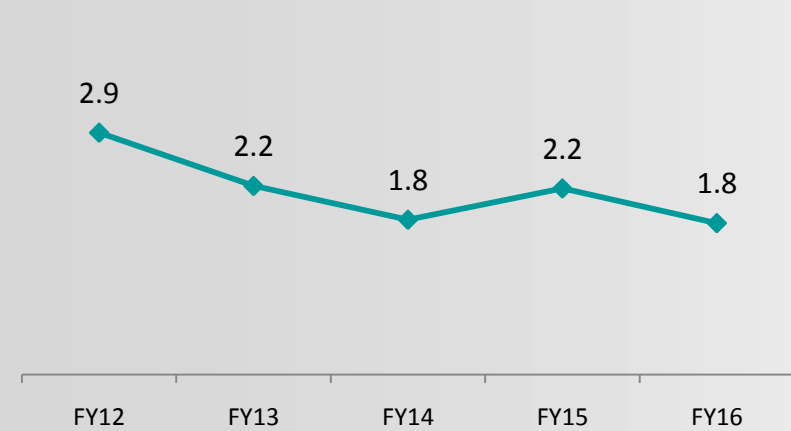


# Strengthening Balance Sheet

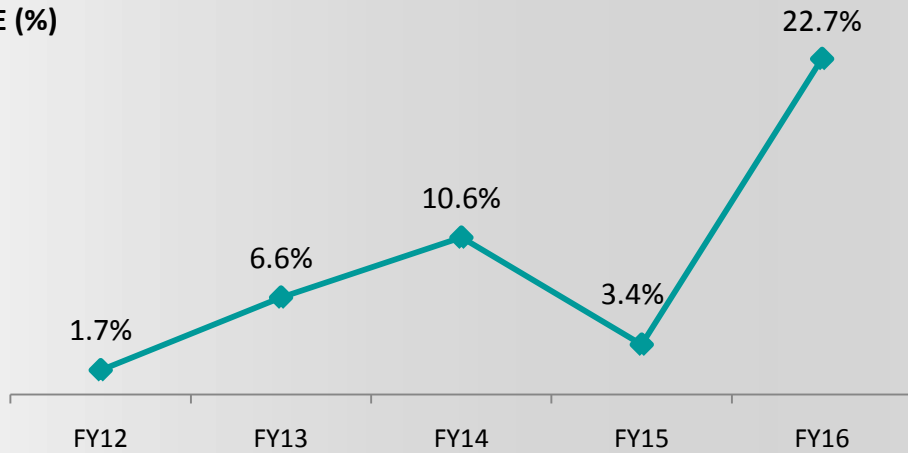
Total Asset Turnover (x)



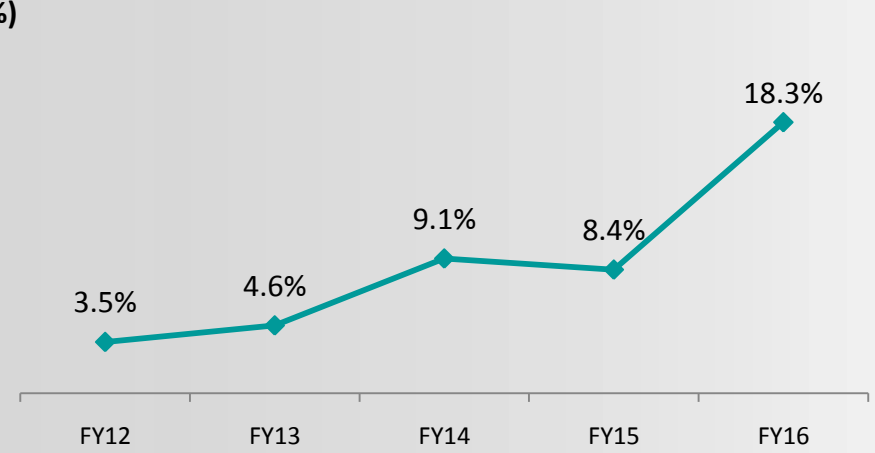
Net Debt/Equity (x)



RoE (%)



RoCE (%)



# Consolidated Annual Profitability Highlights

Rs. Crores	FY16	FY15	YoY %
<b>Total Income from Operations</b>	<b>243.28</b>	<b>193.21</b>	<b>26%</b>
Raw Materials	212.20	169.44	
Employee Cost	3.11	2.78	
Other Cost	12.03	14.44	
Total Expenditure	227.34	186.66	
<b>EBITDA</b>	<b>15.94</b>	<b>6.55</b>	<b>143%</b>
<b>EBIDTA margin (%)</b>	<b>6.55%</b>	<b>3.39%</b>	<b>316 bps</b>
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	
<b>Profit After Tax</b>	<b>6.07</b>	<b>0.70</b>	<b>768%</b>
<b>PAT Margin (%)</b>	<b>2.50%</b>	<b>0.36%</b>	<b>220 bps</b>

# Consolidated Balance Sheet Highlights

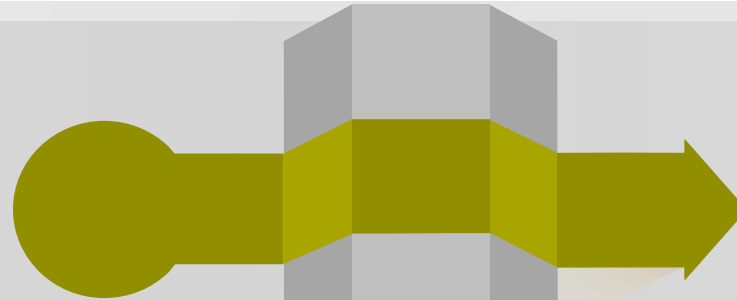
Rs. Crores	Mar-16	Mar-15
<b>Shareholder's Funds</b>	<b>26.72</b>	<b>20.70</b>
Share capital	8.47	2.49
Reserves & Surplus	18.25	18.20
<b>Non-current liabilities</b>	<b>17.15</b>	<b>17.12</b>
Long term borrowings	16.82	16.85
Defer Tax liabilities	0.32	0.27
Other Long-Term liabilities	-	-
Long-Term Provisions	-	-
<b>Current liabilities</b>	<b>63.32</b>	<b>58.37</b>
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
<b>Total Equities &amp; Liabilities</b>	<b>107.19</b>	<b>96.19</b>

Rs. Crores	Mar-16	Mar-15
<b>Non-current assets</b>	<b>30.94</b>	<b>32.06</b>
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	-	-
<b>Current assets</b>	<b>76.25</b>	<b>64.12</b>
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	-	-
<b>Total Assets</b>	<b>107.19</b>	<b>96.19</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

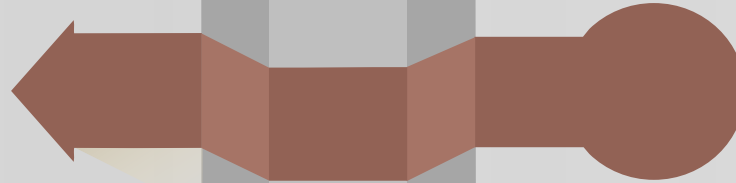


## State of Art manufacturing facilities

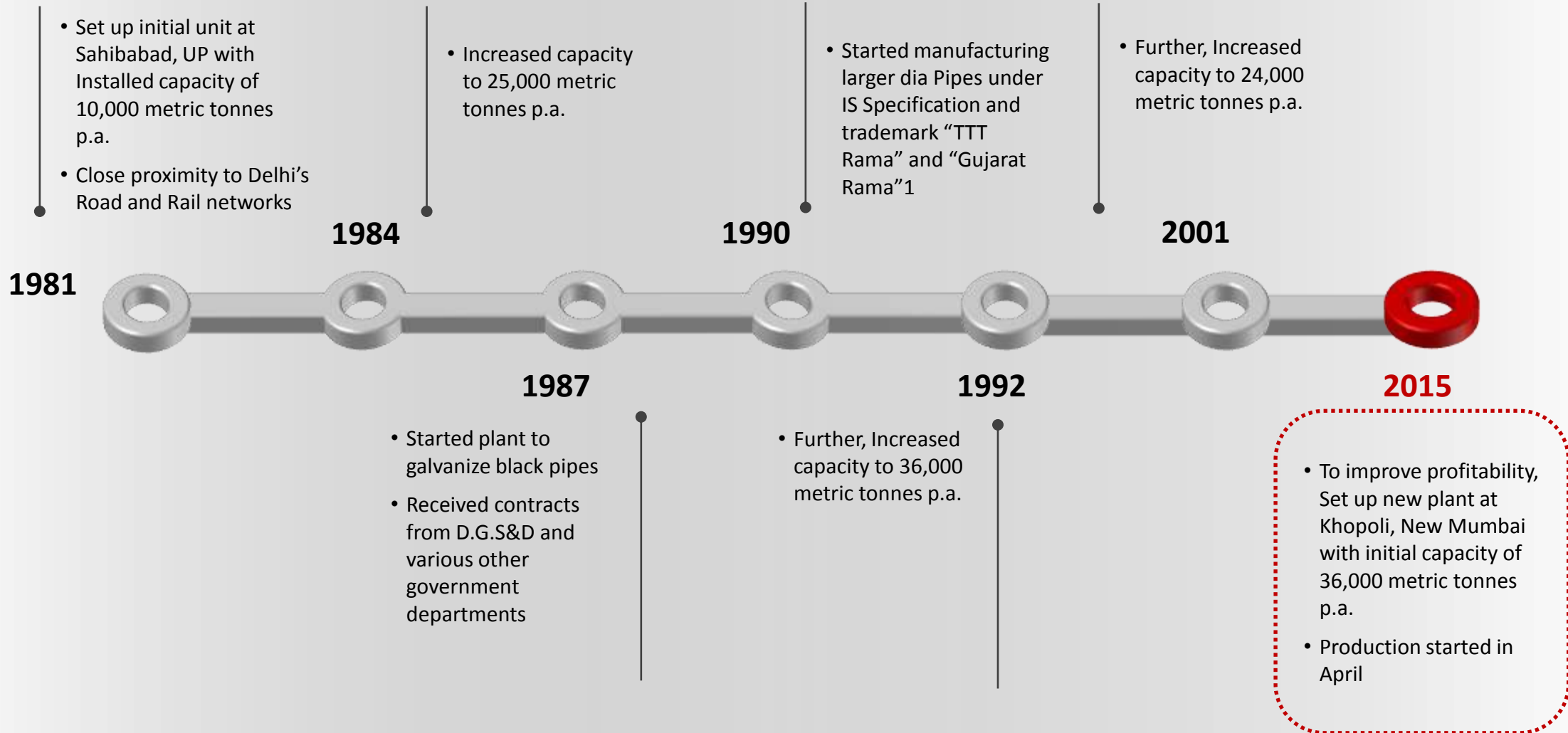
- Two state of art manufacturing facilities in Sahibabad and Khopoli
- Plans to foray into South India with facility at Lepakshi

## 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

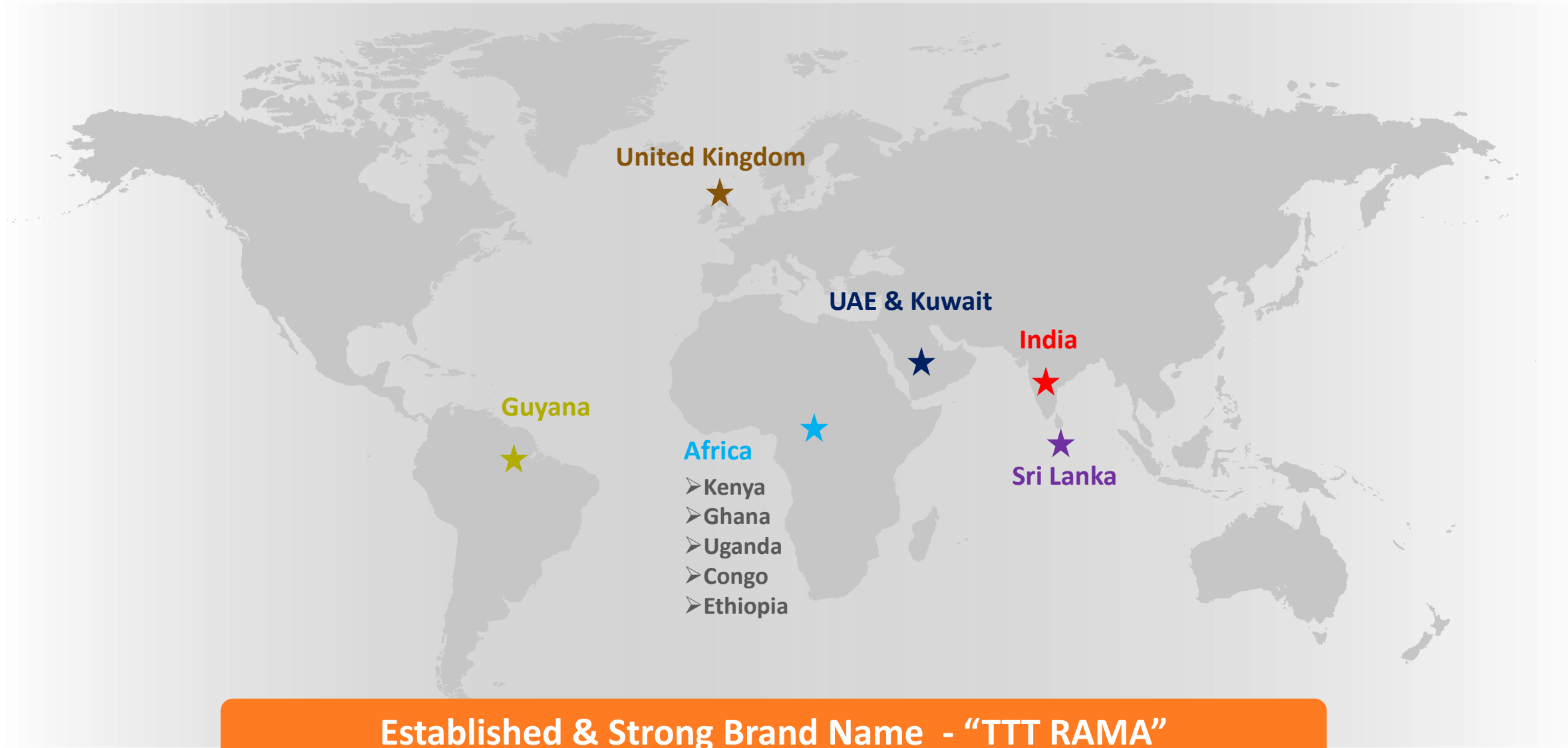
**Kapil Datta**  
*Company Secretary*

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

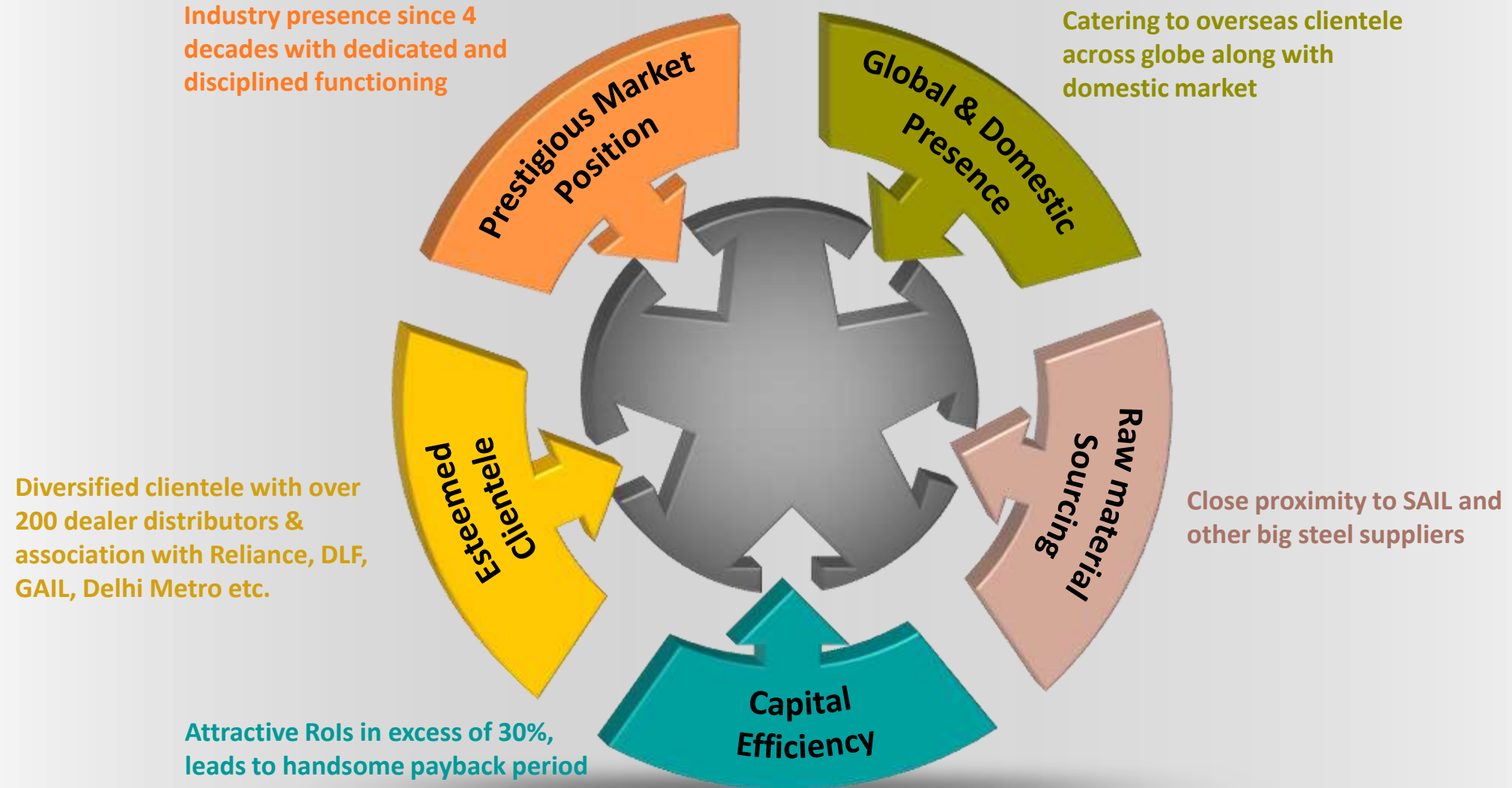
# Diverse Product Portfolio

Product		Application
<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

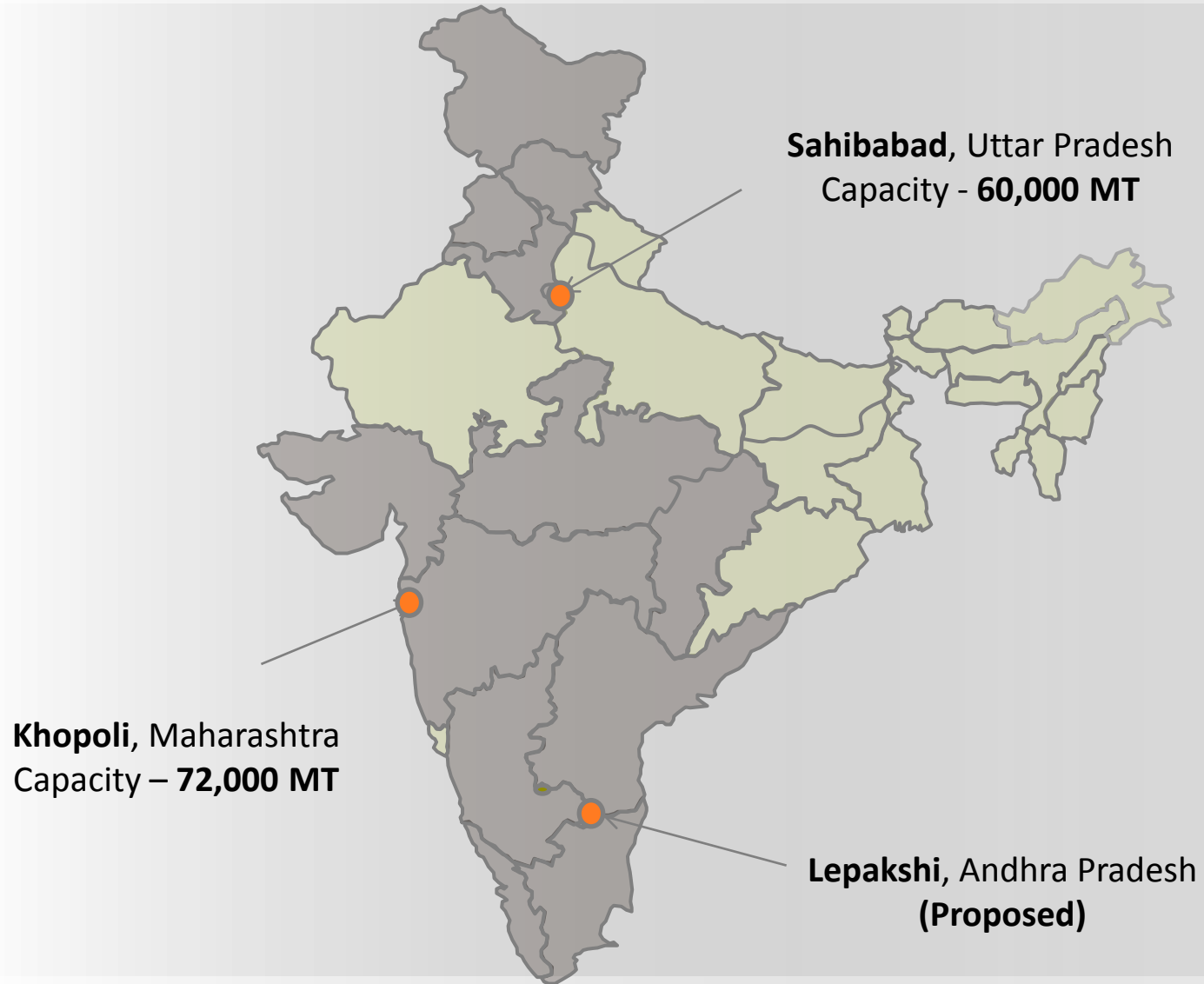
# Products Well Accepted Over Globe



# Key Strategic Advantages



# Fungible Manufacturing Facilities with Locational Advantage

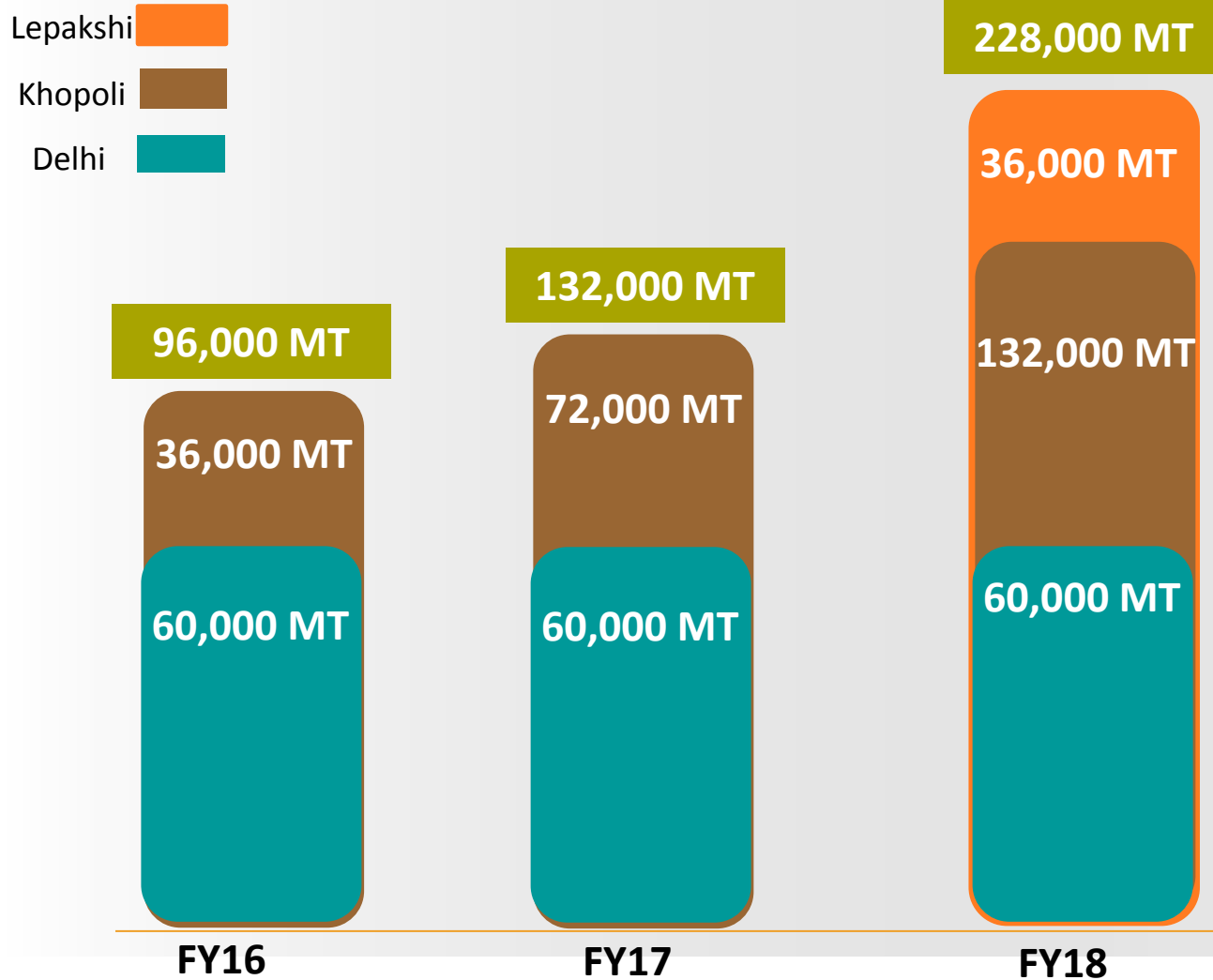


- Khopoli and Lepaskhi plants - close proximity to ports and market
- Caters to demand across Maharashtra, Gujarat, Madhya Pradesh, Andhra Pradesh & Tamil Nadu, Kerala, Karnataka, Goa, Telangana
- Location near market – enables substantial cost savings
- With new facilities – will be able to address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



# 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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### For further information, please contact:

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