



# *RCI Industries & Technologies Limited*

*Investor Presentation  
April 2017*

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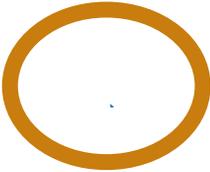
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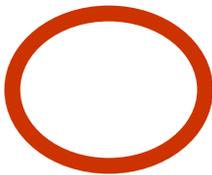
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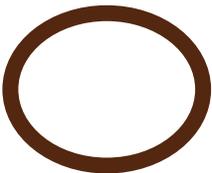
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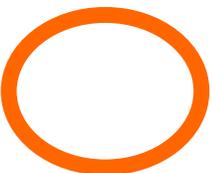
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 **Company Overview**

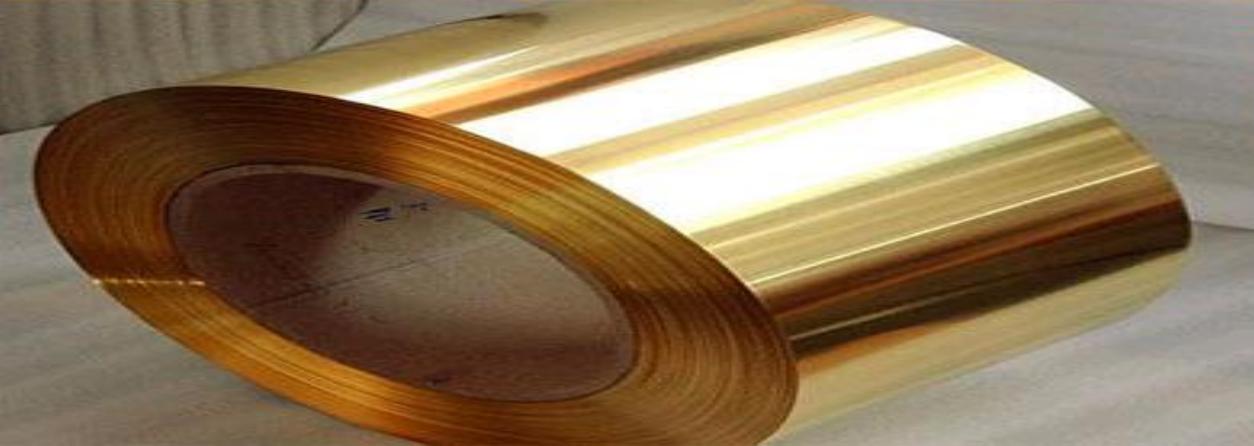
 **Business & Industry Overview**

 **Financial Highlights**

 **Way Ahead**



**Company Overview**



# Amongst leading manufacturers of Copper products in India



## Amongst leading manufacturers of Copper products in India

- **Head quartered in Delhi** with two plants in Himachal Pradesh - RCI Copper & RCI Strips
- In addition to **copper**, capacity for **production of brass, stainless steel and special alloys**

## Multi - product portfolio

- **Flat products** – copper, brass, aluminium and stainless steel sheets, strips, foils and coils etc
- **Round products** - annealed / un-annealed copper wires, bunched copper wires
- **Tin Alloys Solder, Lead - free Solder** – in form of bars, strips and sheets
- Handicrafts in brass and copper

## Manufacturing & warehouse facilities

- **Manufacturing at Nalagarh – 24,000 MT and Baddi - 3,000 MT** - increase to **24,000 MT in Q1FY18**
- Average capacity **utilization of both plants at 60 - 70%**
- **Advanced technology** and high graded raw material deployed
- Warehousing in Delhi, Maharashtra and Rajasthan

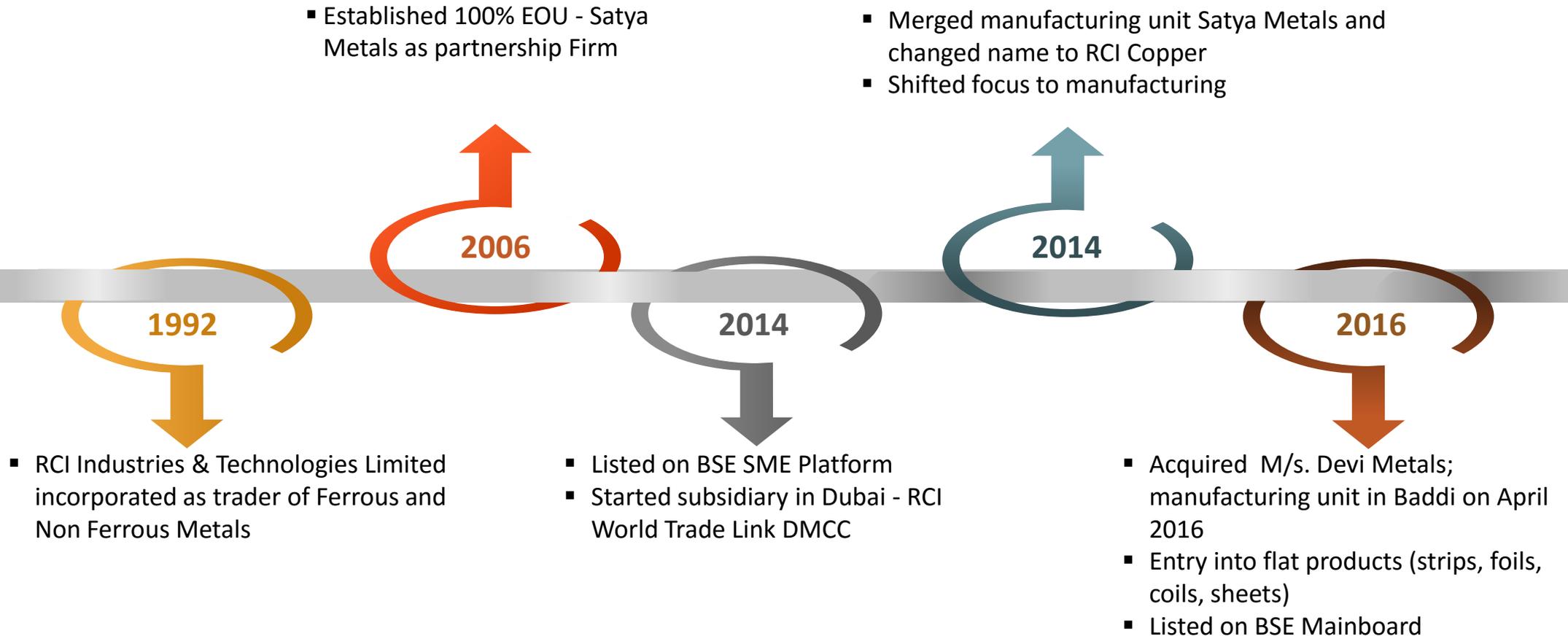
## Strong customer base

- Global customer network **with strong presence in Middle East and Africa**
- **Diverse customer portfolio** - both domestic & overseas
- **75%** of sales **from top 10 customers**

## Products internationally certified

- Products adhere to **ISO certifications** such as ISO 9001:2015 and 14001:2015

# Journey So Far



.... Conscious shift from trading to manufacturing to offer an integrated product portfolio

# Experienced Management Team



**Rajeev Gupta**  
Chairman & MD



- Graduate in commerce from Hindu College, Delhi University
- Rich experience of 22 years in the industry

**Mrs. Mamta Gupta**  
Director



- Graduate from Delhi University
- Experience in human relations
- Planned and directed strategies, development of advertising campaign, creative development

**Mr. Raj Singh Jamwal**  
Director



- Retired Brigadier of Indian Army
- M.Sc in Defence Studies from Madras University and
- Diploma in Senior Defence management from Indore University
- Graduate Diploma in Strategic Studies from Australian University
- Masters in Management Studies from Osmania University

**Mr. Anil Kumar Jain**  
Director

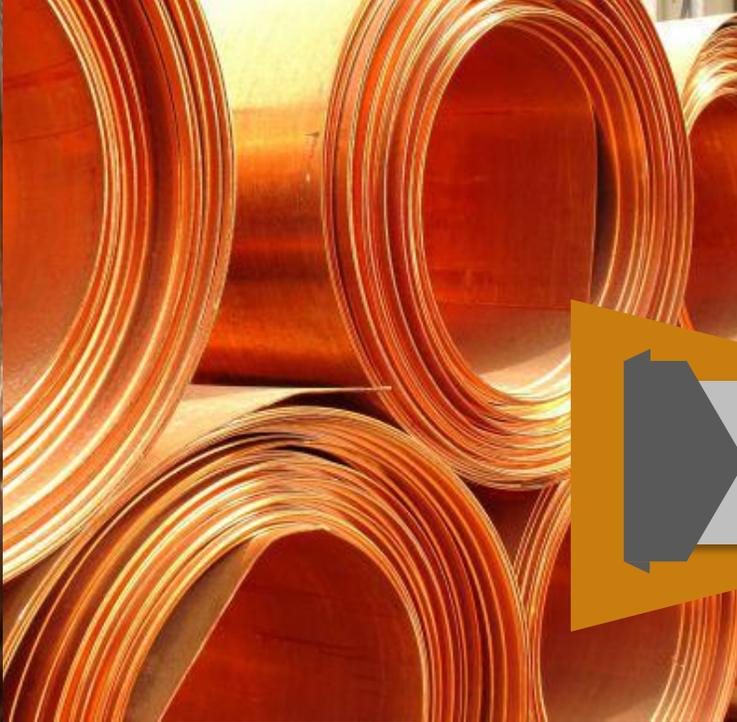


- B Com from Delhi University
- Experienced Corporate Planning professional with over 30 years experience
- Expertise in supply chain management and research & development

**Mr. I.P. Saboo**  
CFO



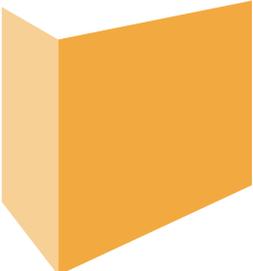
- B.Com from Delhi University; Chartered Accountant; BGDDBA from Annamalai University
- Comprehensive experience of 30 years in Finance and Taxation



**Business & Industry Overview**

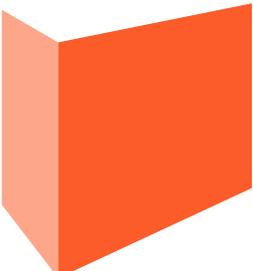


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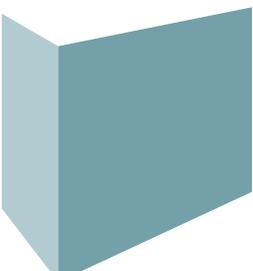
## India - among top 20 major producers of copper globally

- In FY16, copper ore production in India at 39 lakh tonnes was 11% higher compared to the previous year
- Refined copper production in FY16 was ~7.9 lakh tonnes and the estimated consumption was ~ 6.5 lakh tonnes



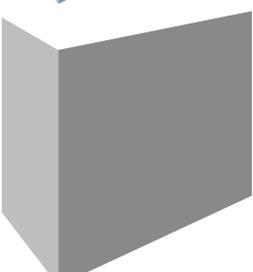
## India is one of largest copper importers alongside China, Japan, South Korea and Germany

- Falling prices of copper in international markets will benefit Indian manufacturers



## Copper consumption in India recorded 5.9% CAGR in the last decade, second only to China

- Copper demand expected to grow at 9-10%
- Major consumers of copper products - Building and construction, engineering, transport & consumer durables
- Over 30% of India's copper demand comes from telecom sector and 26% from electrical sector



## Key drivers for demand

- Required for end use sectors which are on fast growth track
- Government push for infrastructure development
- Expanding domestic market in rural areas

# Diverse Product Portfolio with wide applications...

## Annealed / Un-Annealed Copper Wire & Bunched Copper Wire

- Used in automotive cables, television & electronic Industry, construction
- High tolerance bunched copper wire ropes used as connectors due to its flexibility and strength

## Tin Solder Wires/Strips and Bars

- Used in all electronic appliances & goods, PCB, Mobiles, etc.

## Stainless Steel – Strips/Sheets/Foils/Coils

- Especially suited for small precision components requiring bending, drawing and punching operations
- Used in electrical, computer, telephone, watch, radio, tape recorders, thermostat, fountain pen, nibs, chemical industry, battery cell contacts flexible hoses etc.

## Copper / Brass – Foils / Coils

- Used in Automobiles: radiators, bulb and lamp caps, imitation jewellery, eyelets, thimbles, clocks, pens and various sheet metal pressed components

## Copper/Brass Special Alloys

- Applications in houses, power grids and aircraft industry
- Used in construction, cement industry, ship building and allied industries

## Indian Handicrafts

- Over 1,000 handicraft products fabricated in Copper and Brass



# Key Strengths



## Multi-Product Portfolio

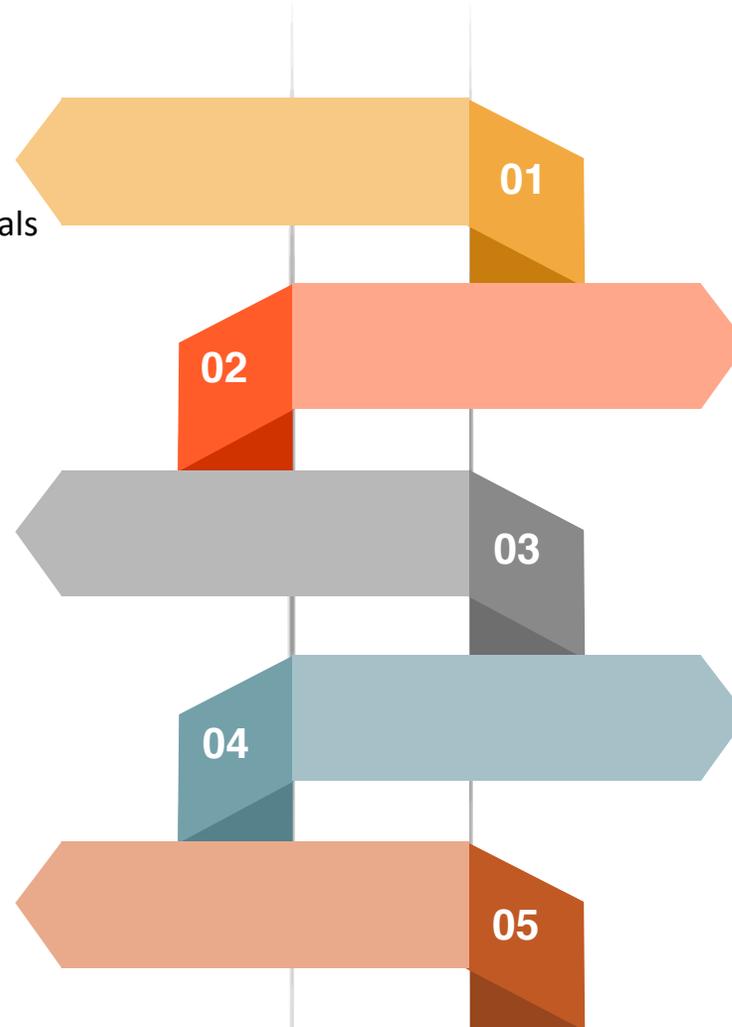
- Well balanced product mix
- Competitive pricing based on low making charges
- Expanding range of products at regular intervals
- Expertise to re-roll / process any special materials

## Client Centric

- Commitment to customer satisfaction
- Catering to specific needs of diverse customer segments
- Competitive edge in achieving stable growth and gaining new clients

## Focused Workforce

- Dynamic, experienced leadership
- Dedicated, well trained employee base



## Innovative Ideas

- In-house R&D lab for new product ideas
- Swift response to market conditions
- Adaptability to changes in business landscape
- Utilization of advanced technology

## Quality Standards & Assurance

- Adherence to quality standards at all stages of manufacturing
- High quality and prime grade raw material
- Checked for dimensional accuracy & temper at each stage
- Well equipped with all modern testing facilities to check for physical, mechanical and chemical properties

# Manufacturing and Warehousing Facilities

## Manufacturing

**Manufacturing Unit for Copper/Brass - Wire, Handicrafts, Tin Solder bars / alloys at Nalagarh : -**

- **Products Manufactured** - Annealed / un-annealed copper wires, bunched copper wires; Handicrafts and Art ware; Tin Solder/Alloys
- Capacity of 24,000 MT

**Manufacturing Unit for Strips/Foils/Coils at Baddi : -**

- **Products Manufactured** – Copper/Brass/Stainless -Sheets / Strips / Foils / Coils etc.
- Current capacity of 3,000 MT; to increase to 24,000 MT in Q1FY18

**Average total capacity utilization 60 – 70%**

## Warehousing

**Delhi** - 200 sq. m. warehousing at Vishwas Nagar

**Bhiwadi, Rajasthan** - 780 sq. m. warehousing at Khushkhera

**Panvel, Maharashtra** – 2,000 sq. m. warehousing in FTWZ, SEZ



# Key Customers



# Finolex



# Certifications



ISO 9001-2015



ISO 14001-2015

# Business Strategy



01

**Enhanced  
product range**

- Manufacturing of wide range in round and flat products
- Value added products to meet complete customer requirement
- Customisation as per specifications including in special materials

**Quality focus**

02

- World Class Testing Equipments & laboratory which includes spectrometer from SPECTRO Analytical Instruments GmbH, Germany
- Commitment to maintain quality, delivery timings and volumes
- Products adhere to ISO certifications such as ISO 9001:2015 and 14001:2015

03

**Strengthening  
customer  
base**

- Secure repeat orders from existing customer base
- Expand product mix to meet all customer requirements
- Entering new customer segments – defence and the mint

**Entering new  
geographies**

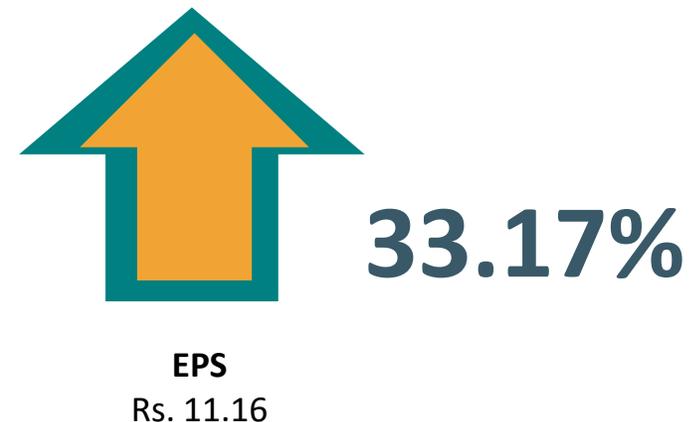
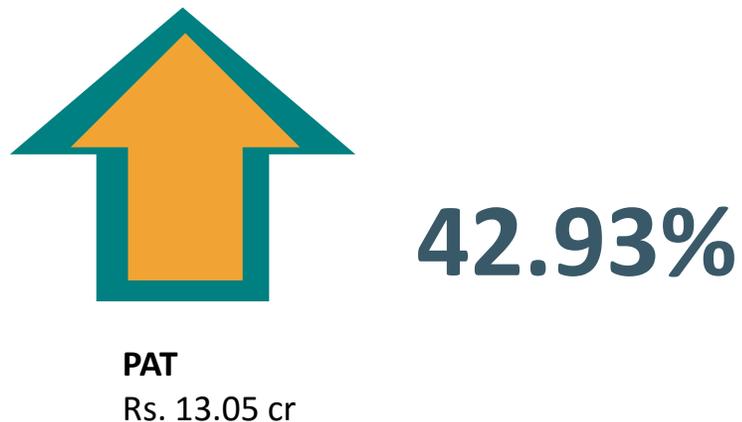
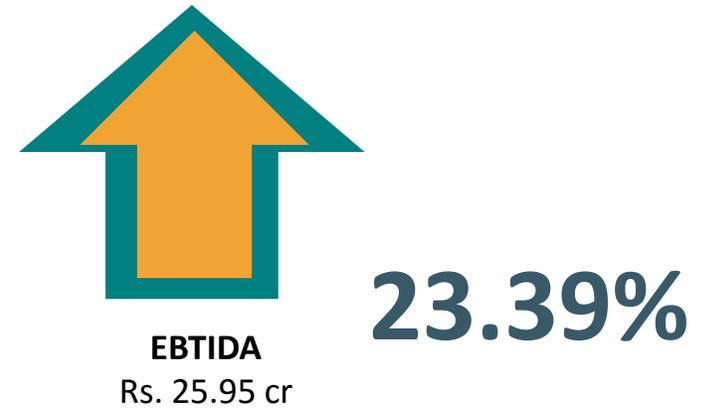
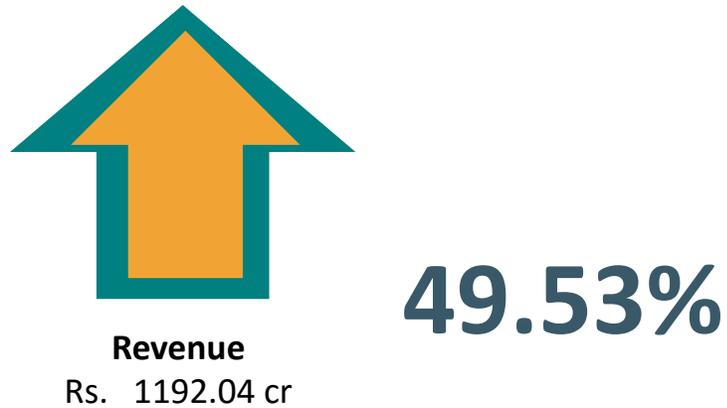
04

- RCI World Trade Link DMCC set up in Dubai focused on trade in the Middle East
- Exploring markets in Africa and Russia driven by expanding offerings portfolio



## Financial Highlights

# Consolidated P&L Highlights – 9M FY17

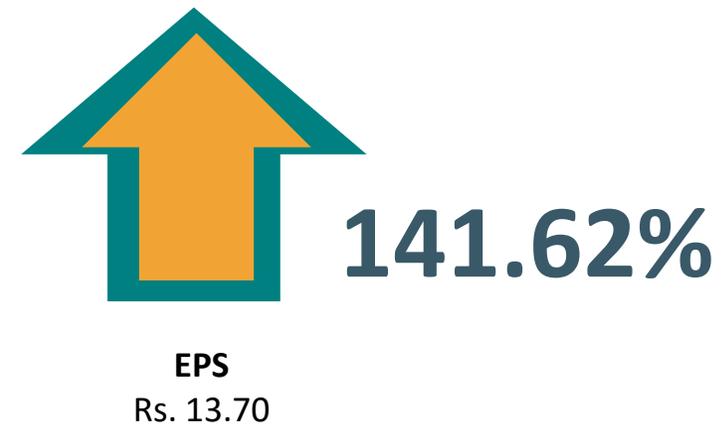
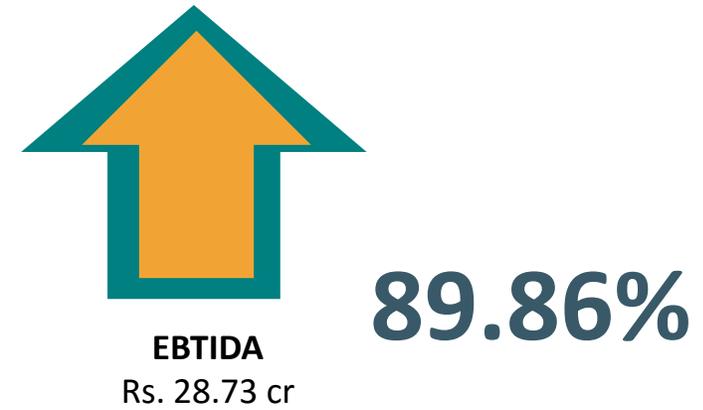
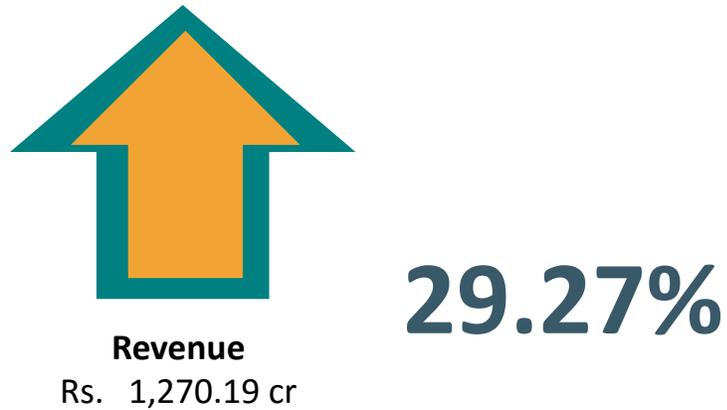


# Consolidated 9M FY17 Highlights



Rs. Crs	9M FY17	9M FY16	YoY %
<b>Total Income from Operations</b>	1192.04	797.18	<b>49.53%</b>
Raw Materials	1152.70	762.64	
Employee Cost	3.51	0.84	
Other Cost	9.88	12.67	
Total Expenditure	1166.09	776.15	
<b>EBITDA</b>	<b>25.95</b>	<b>21.03</b>	<b>23.39%</b>
Interest	9.78	10.55	
Depreciation	1.50	0.49	
Other Income	0.59	0.13	
Exceptional Item	0.00	0.00	
Profit Before Tax	15.25	10.12	
Tax	2.20	0.99	
<b>PAT</b>	<b>13.05</b>	<b>9.13</b>	<b>42.93%</b>
<b>EPS in Rs.</b>	<b>11.16</b>	<b>8.38</b>	

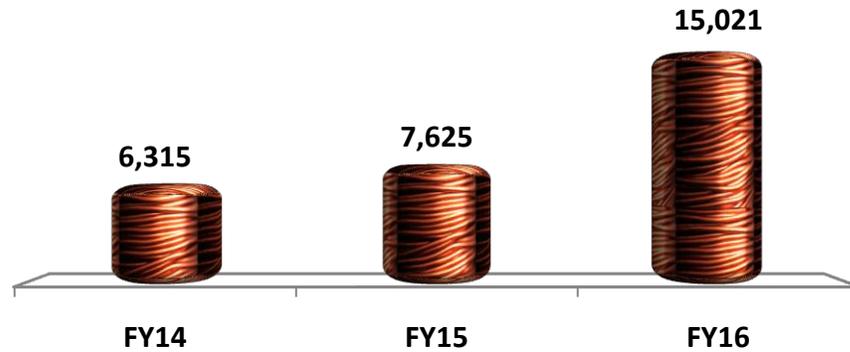
# Consolidated P&L Highlights – FY16



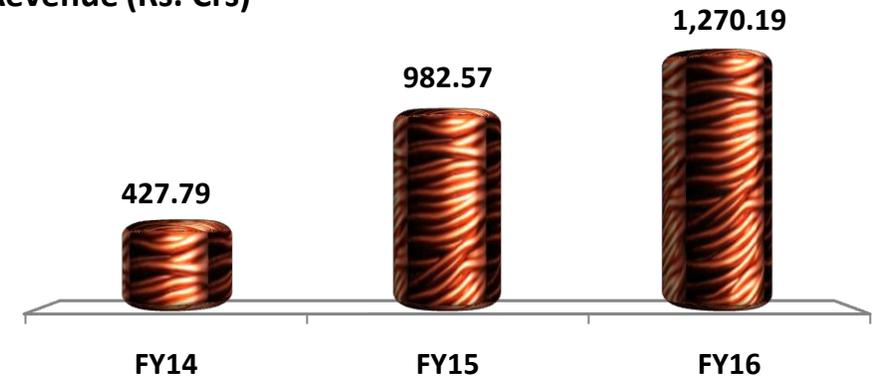
# Consolidated Annual Financial Highlights – FY16



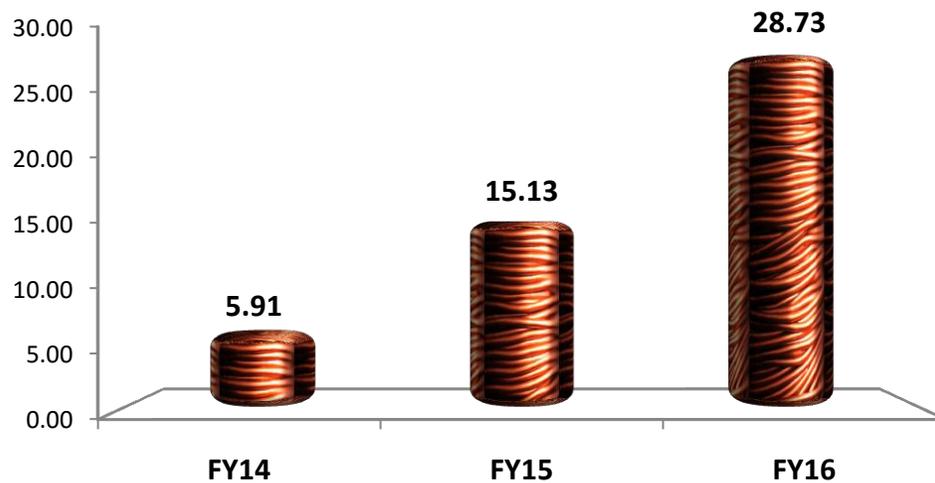
### Production Volume (MT)



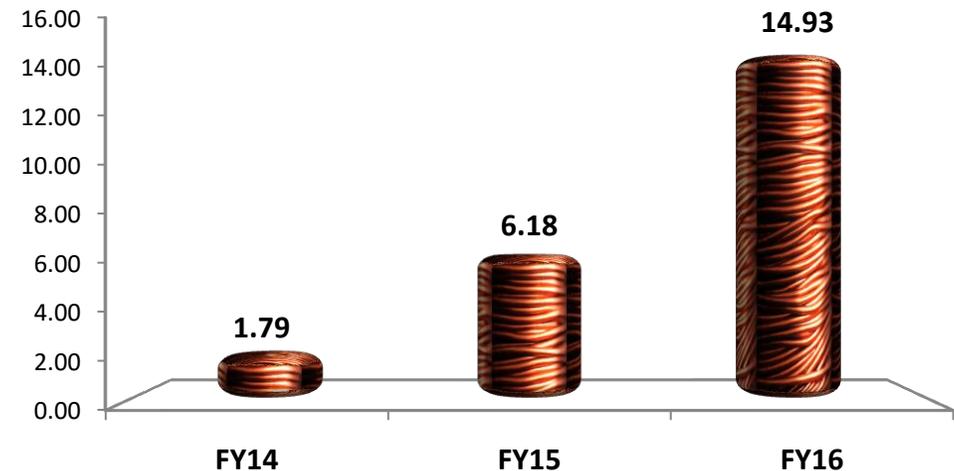
### Revenue (Rs. Crs)



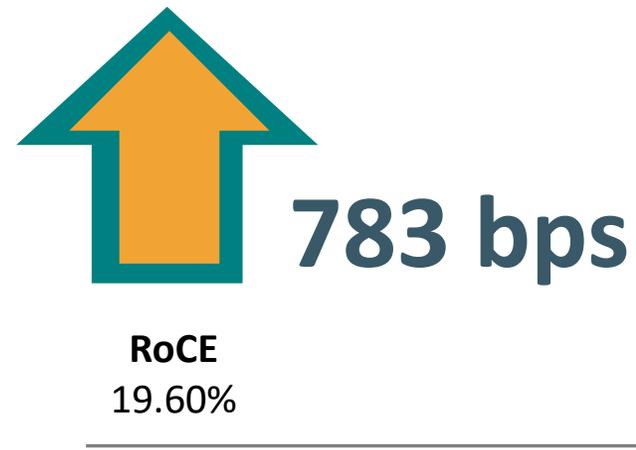
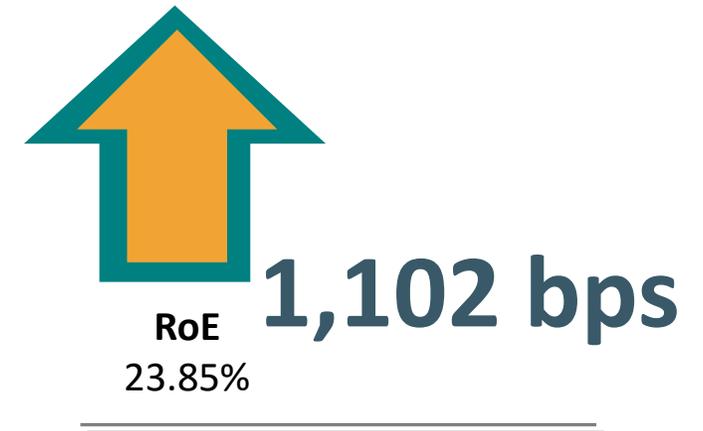
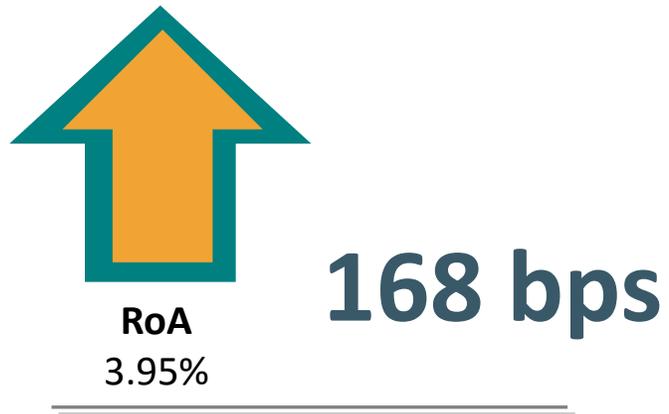
### EBITDA (Rs. Crs)



### PAT (Rs. Crs)



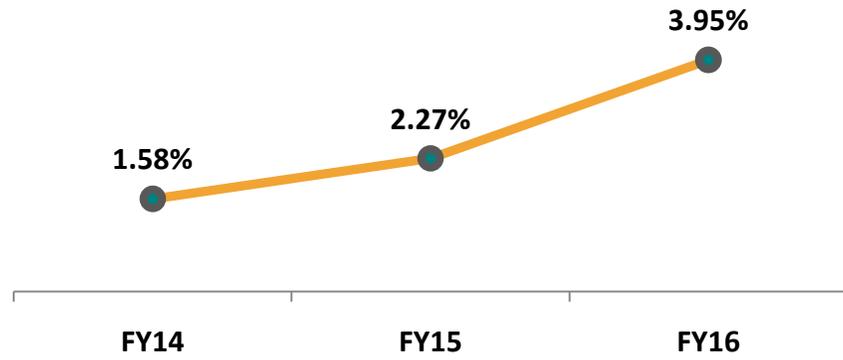
# Consolidated Key Ratios – FY16



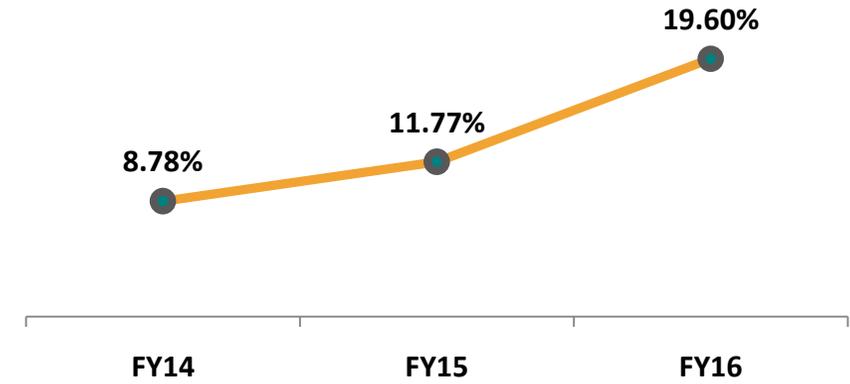
# Key Ratios



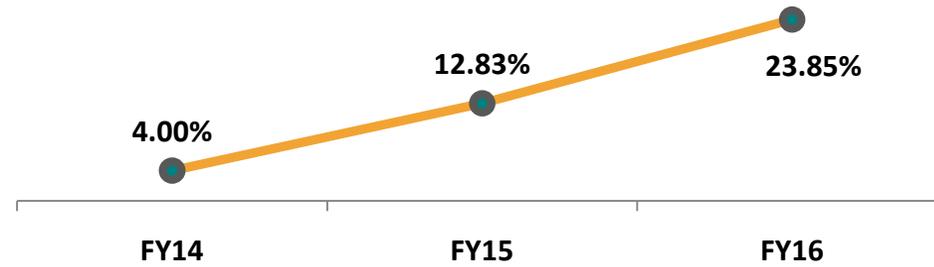
ROA (%)



RoCE (%)



RoE (%)



# Consolidated Annual Profitability Highlights



Rs. Crs	FY16	FY15	YoY %
<b>Total Income from Operations</b>	1270.19	982.57	<b>29.27%</b>
Raw Materials	1220.05	941.16	
Employee Cost	1.16	0.95	
Other Cost	20.25	25.32	
Total Expenditure	1241.46	967.43	
<b>EBITDA</b>	<b>28.73</b>	<b>15.13</b>	<b>89.86%</b>
Interest	12.19	7.98	
Depreciation	0.78	0.63	
Other Income	0.89	0.53	
Exceptional Item	0.00	0.00	
Profit Before Tax	16.65	7.05	
Tax	1.72	0.87	
<b>PAT</b>	<b>14.93</b>	<b>6.18</b>	<b>141.35%</b>
<b>EPS in Rs.</b>	<b>13.70</b>	<b>5.67</b>	

# Consolidated Balance Sheet Highlights as on – FY16



Rs. Crs	Mar-16	Mar-15
<b>Shareholder's Funds</b>	<b>62.58</b>	<b>48.20</b>
Share capital	10.90	10.90
Reserves & Surplus	51.68	37.30
<b>Non-current liabilities</b>	<b>70.93</b>	<b>31.75</b>
Long term borrowings	25.99	1.68
Defer Tax liabilities	0.00	0.01
Other Long-Term liabilities	44.85	30.00
Long-Term Provisions	0.10	0.07
<b>Current liabilities</b>	<b>244.85</b>	<b>192.38</b>
Short Term Borrowings	76.06	49.43
Trade Payables	147.01	117.20
Other Current liabilities	20.03	24.79
Short-term provisions	1.75	0.94
<b>Total Equities &amp; Liabilities</b>	<b>378.36</b>	<b>272.32</b>

Rs. Crs	Mar-16	Mar-15
<b>Non-current assets</b>	<b>42.68</b>	<b>4.57</b>
Fixed assets	4.77	3.02
Deferred tax assets	0.03	0.00
Non-current Investments	36.45	0.00
Long-term loans & advances	1.43	1.55
Other non-current assets	0.00	0.00
<b>Current assets</b>	<b>335.68</b>	<b>267.75</b>
Current investments	0.0	0.00
Inventories	74.15	60.87
Trade receivables	225.46	165.41
Cash & Cash equivalents	7.54	6.14
Short-term loans & Advances	27.24	34.43
Other Current Assets	1.29	0.90
<b>Total Assets</b>	<b>378.36</b>	<b>272.32</b>



**Way Ahead**

01

## Shift from Trading to Manufacturing

- Increased production capacity
  - through acquisition
  - capacity enhancement
- Increased revenue and improved margins post enhanced capacities

02

## Foray into Defence and the Mint

- New high-value products for supply to Defence and Mint segments
- In process of securing license for these segments

03

## Focus on Value-Added Products

- To manufacture flat rolls which have better realisations
- To manufacture a unique tape (copper and stainless steel) which is currently imported
- Production at Baddi plant for tin strips / wire and other articles of tin

04

## CAPEX for enhanced Production Capacity

- ~Rs. 50 crore capex towards enhancing existing capacity
- Capex done through preferential issue and internal accruals
- To increase capacity from 3,000 MT to 24,000 MT

# Thank You



**For further information, please contact:**

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