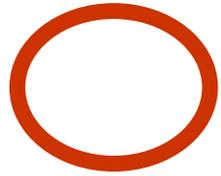




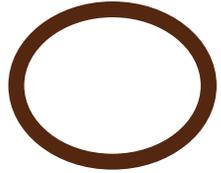
RCI Industries & Technologies Limited

Investor Presentation
2018

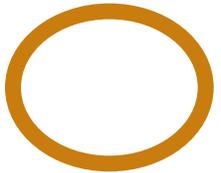
Table of Contents



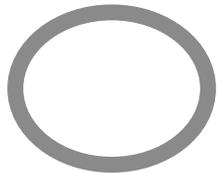
Business Overview



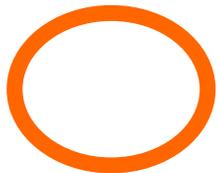
H1 FY18 Financial Highlights



Annual Financial Highlights



Company Overview



Opportunity & Way Ahead



Business Overview



Integrated & complete product suite

Flat Products

- Production of Strips, Foils & Coils of Copper, Brass and other special alloys
- Acquired Devi Metals in FY17; manufacturing unit in Baddi with capacity of 2,400 MT
- Ongoing ~Rs. 80 crore capex towards enhancing capacity; upto 6,000 MT by FY18 & 24,000 MT by FY19 (~ replacement cost of such capacity is upwards of Rs 200cr)
- Partial capex met through preferential allotment in two tranches ~Rs 10 Cr @125 (in October 2016) and ~Rs 39 Cr @225 (in February 2017), subscribed by promoter group and others ;Balance to be met through internal sources
- Potential to achieve asset turnover of 10:1 at 80% capacity utilisation
- Higher Margin Products and strong metallurgy team in place

Round Products

- Merged manufacturing unit Satya Metals with RCI Industries in FY14
- Production of Annealed / un-annealed copper wires, bunched copper wires; Handicrafts and Art ware; Tin Solder/Alloys
- Current capacity of 24,000 MT
- Production of ~20,000 MT in FY17

Trading of Copper

- Although low margin business, provides economies of scale as copper is raw material for other two divisions
- No underlying commodity price risk



Product Portfolio with wide & diverse applications...

Round Products

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



Flat Products

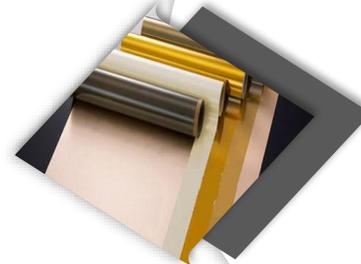
Copper / Brass – Foils / Coils

- Used in Automobiles: radiators, bulb and lamp caps, imitation jewellery, eyelets, thimbles, clocks, pens, and various sheet metal pressed components
- Also used in Defence/ Ordnance factories – mint/ coins for domestic & exports



Tin Solder Wires/Strips and Bars

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



Copper/Brass Special Alloys

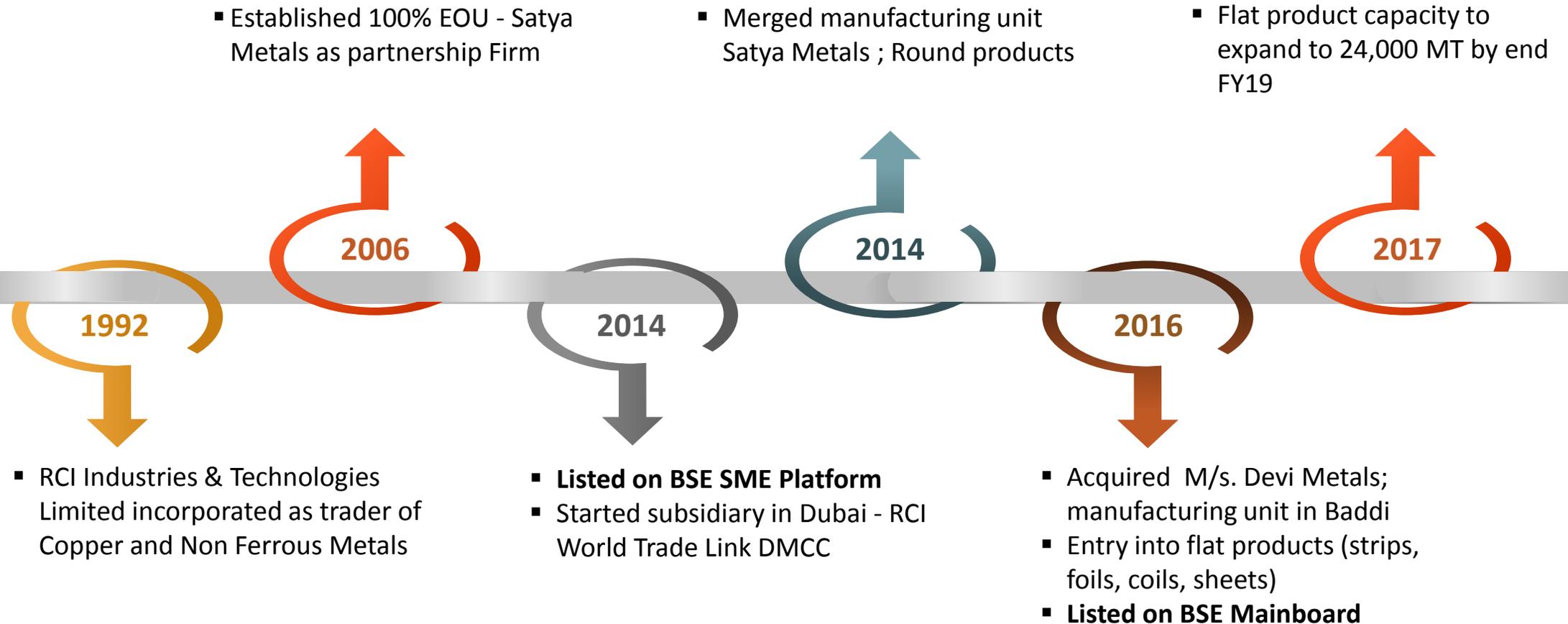
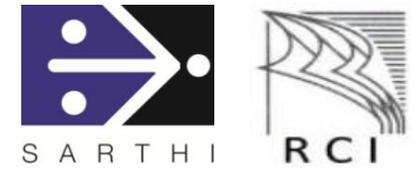
- Applications in houses, power grids and aircraft industry
- Used in construction, cement industry, ship building and allied industries



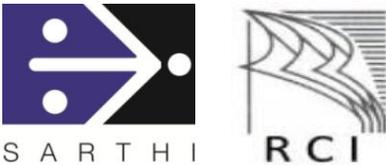
Indian Handicrafts

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

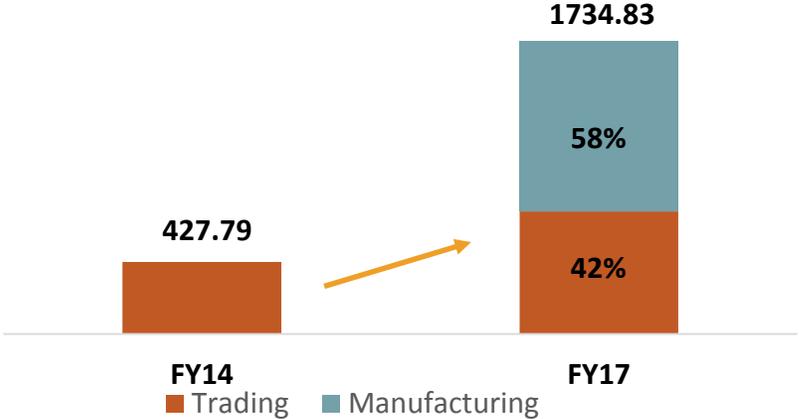
Journey So Far



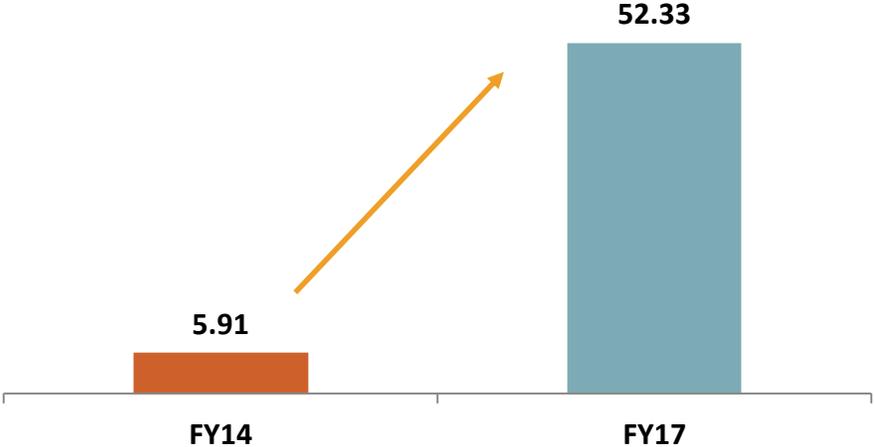
Journey from BSE SME to BSE Main



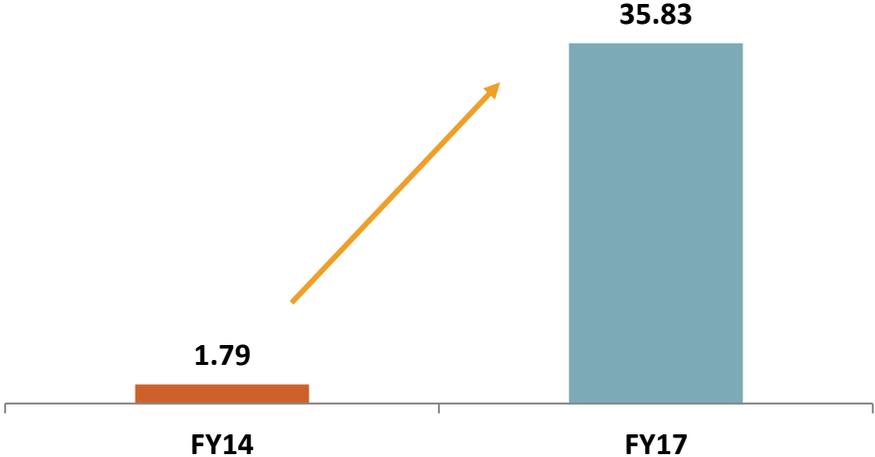
Revenue (Rs Cr.)



EBITDA (Rs Cr.)



PAT (Rs Cr.)

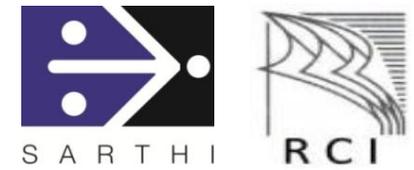


Strategic shift and expanded product suite driving profitability & growth



H1 FY18 Financial Highlights

Half Year Consolidated P&L Highlights – H1FY18 v/s H1FY17



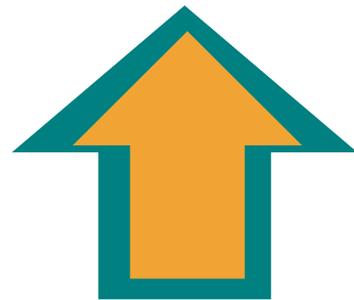
Revenue
Rs. 1084.1 cr

31.4%



EBTIDA
Rs. 28.9 cr

97.8%



PAT
Rs 17.2 cr

192.5%

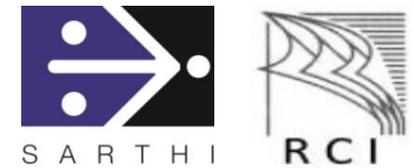


EPS
Rs. 12.82 v/s Rs 5.40 in H1FY17

137.4%

Board approves and declares maiden interim dividend for FY18 at Re 0.50 per share

Consolidated H1FY18 Highlights

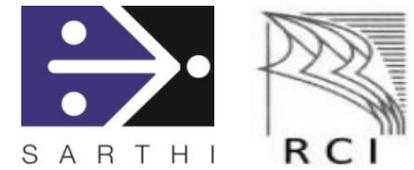


Rs. Cr	H1 FY18	H1 FY17	YoY %
Revenue from Operations	1,078.87	824.50	30.85%
Other Income	5.25	0.38	
Total Income	1,084.12	824.88	31.43%
Raw Materials	1035.76	785.91	
Employee Cost	4.25	2.25	
Other Cost	15.26	22.12	
Total Expenditure	1,055.27	810.29	
EBITDA	28.85	14.59	97.78%
EBITDA Margin	2.66%	1.77%	89 bps
Interest	7.01	6.10	
Depreciation	2.36	0.97	
Profit Before Tax	19.48	7.51	
Tax	2.25	1.63	
PAT	17.22	5.89	192.54%
PAT Margin	1.59%	0.71%	88 bps
Other Comprehensive Income	0.0	(0.002)	
Total Comprehensive Income	17.22	5.89	192.43%
EPS in Rs.	12.82	5.40	137.41%

Significant jump in EBITDA on account of increase in operating efficiencies

Company adopted Indian Accounting Standards (Ind AS) from 01 April 2017. Figures for the previous quarters are also Ind AS compliant.

Consolidated Balance Sheet Highlights – H1 FY18

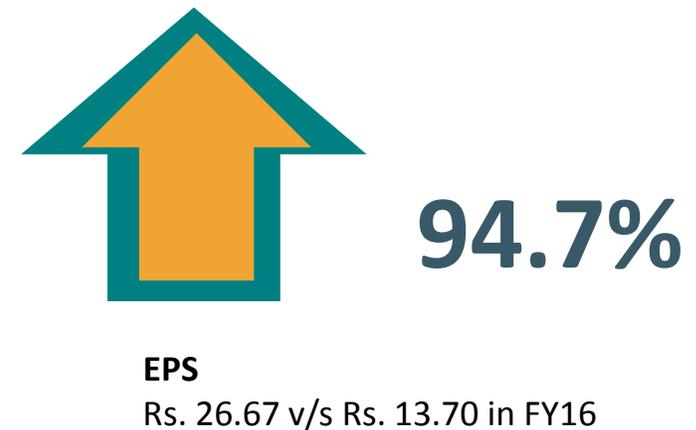
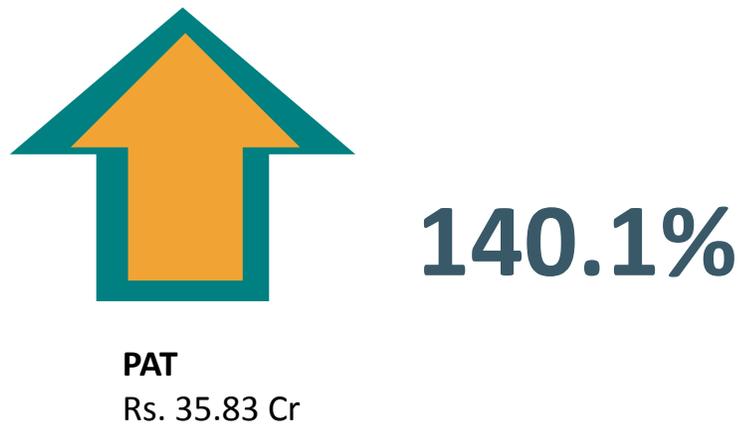
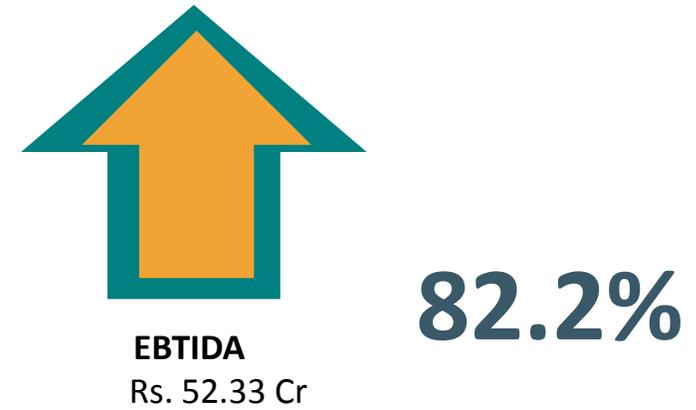
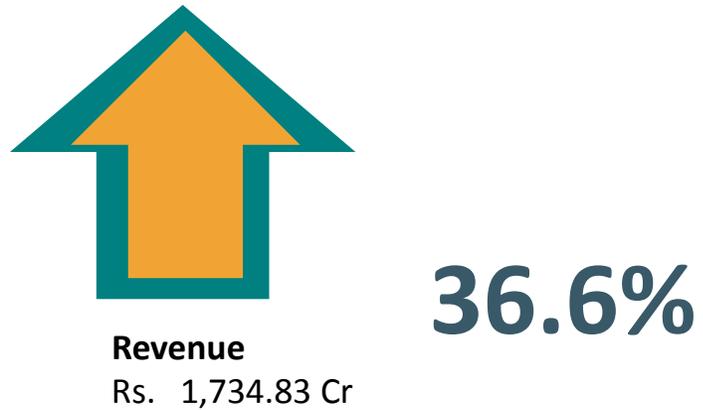


Particulars (Rs. Cr)	As at 30 th Sep-17	As at 31 st Mar-17	Particulars (Rs. Cr)	As at 30 th Sep-17	As at 31 st Mar-17
Shareholder's Funds	164.75	147.44	Non-current assets	49.18	48.17
Share capital	13.44	13.44	Fixed assets	45.83	39.96
Reserves & Surplus	151.32	134.01	Deferred tax assets	0.00	0.00
Non-current liabilities	31.12	31.00	Non-current Investments	0.00	0.00
Long term borrowings	0.00	0.00	Long-term loans & advances	3.35	5.45
Deferred Tax liabilities	0.71	0.58	Other non-current assets	0.00	2.76
Other non current financial liabilities	30.00	30.00	Current assets	458.89	426.67
Long-Term Provisions	0.41	0.42	Current investments	0.05	0.05
Current liabilities	312.19	296.40	Inventories	71.43	72.02
Short Term Borrowings	133.07	121.02	Trade receivables	255.09	262.62
Trade Payables	146.08	148.35	Cash & Cash equivalents	63.51	52.45
Other current financial liabilities	6.51	7.38	Loans, current	8.37	0.00
Other Current liabilities	22.02	16.77	Other Current Financial Assets	3.28	3.84
Short-term provisions	4.51	2.88	Other Current Assets	57.16	35.69
Total Equities & Liabilities	508.07	474.84	Total Assets	508.07	474.84

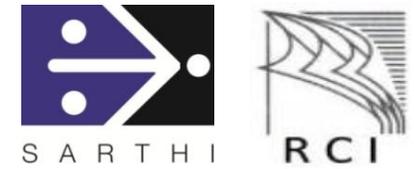


Annual Financial Highlights

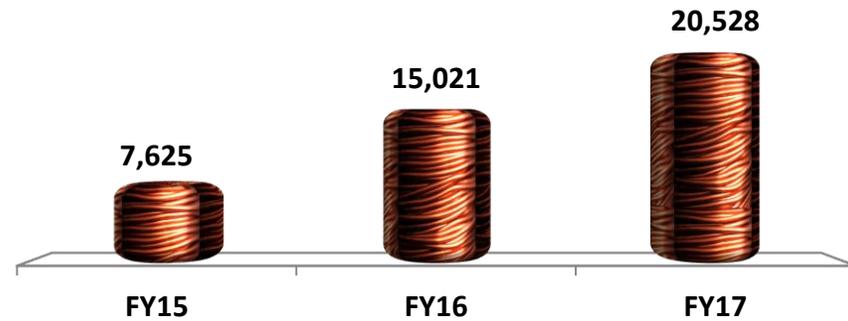
Consolidated P&L Highlights – FY17



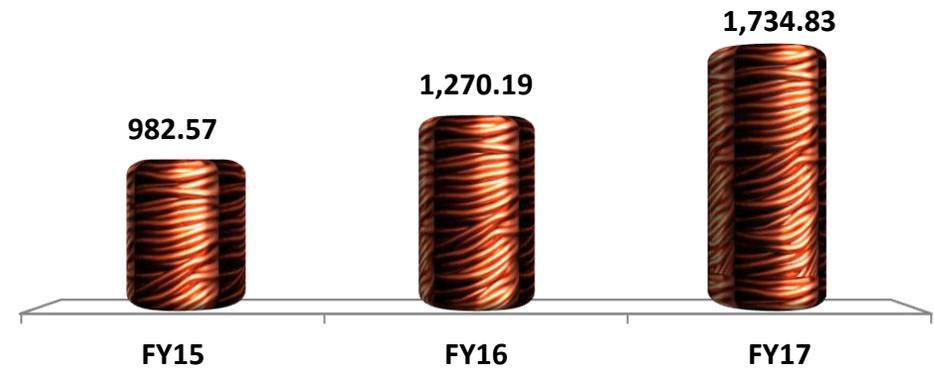
Consolidated Annual Financial Highlights – FY17



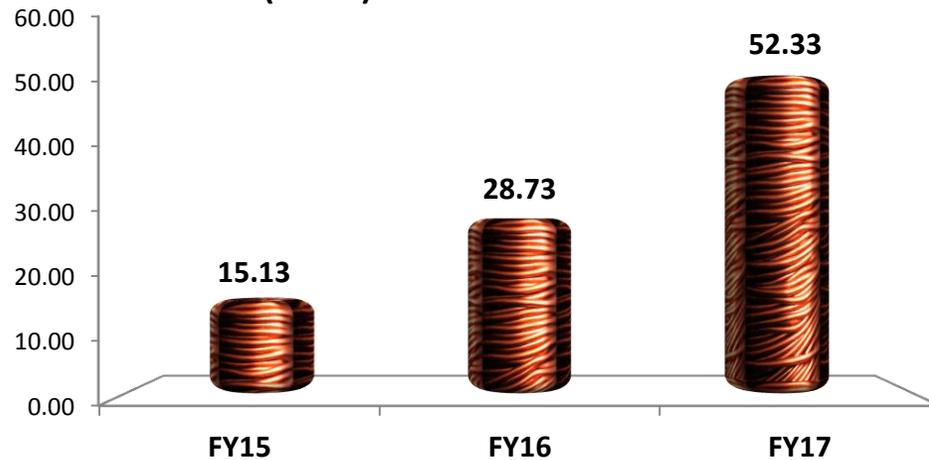
Production Volume (MT)



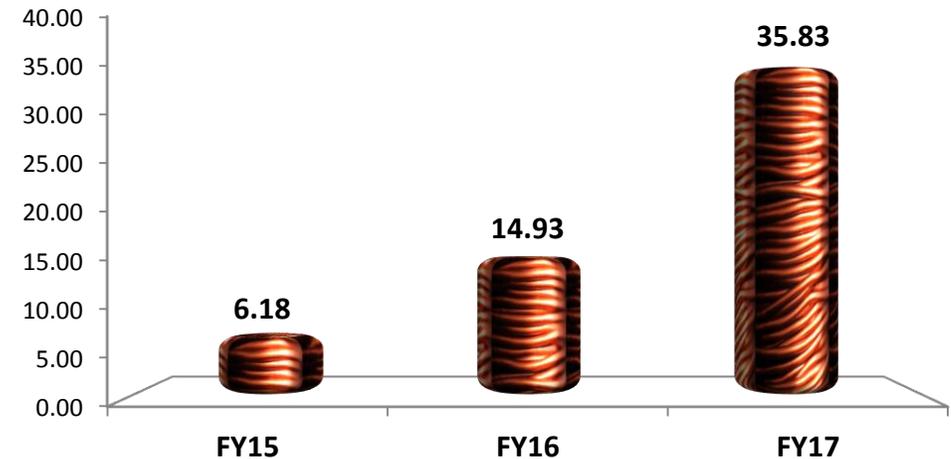
Revenue (Rs. Cr)



EBITDA (Rs. Cr)

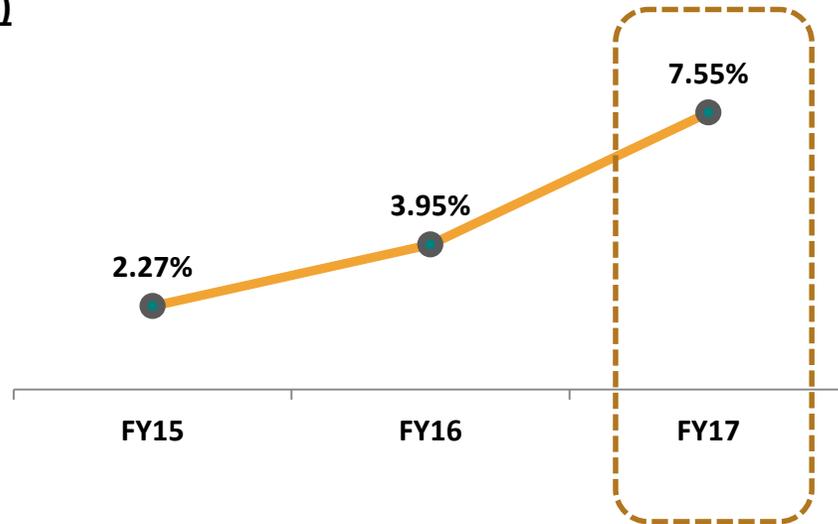


PAT (Rs. Cr)

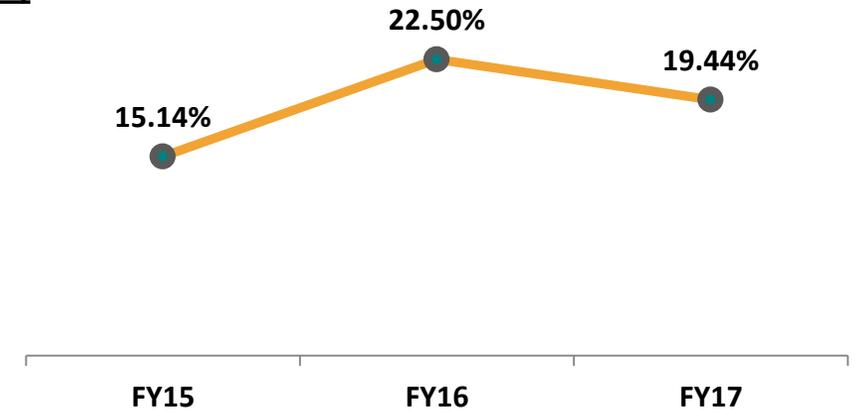


Key Ratios

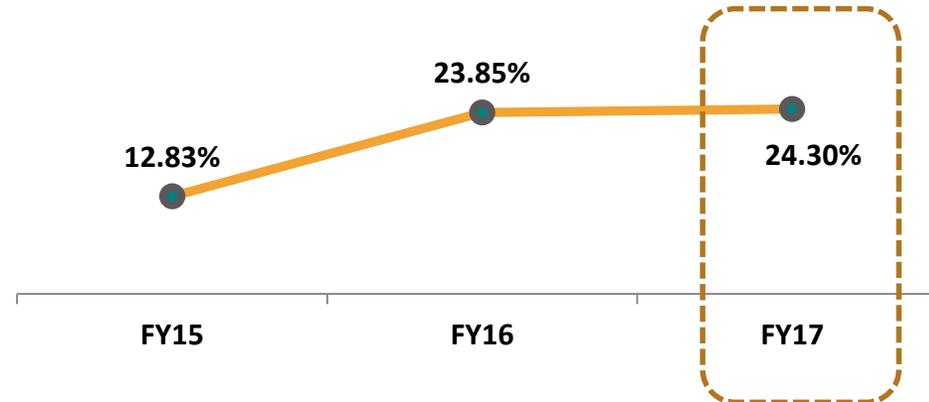
ROA (%)



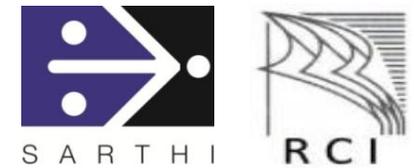
RoCE (%)



RoE (%)

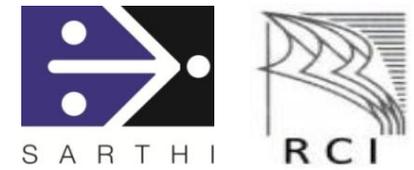


Consolidated Annual Profitability Highlights – FY17



Rs. Cr	FY17	FY16	YoY %
Total Income from Operations	1,734.83	1,270.19	36.58%
Raw Materials	1,657.03	1,220.05	
Employee Cost	5.60	1.16	
Other Cost	19.88	20.25	
Total Expenditure	1,682.50	1,241.47	
EBITDA	52.33	28.73	82.15%
EBITDA Margin	3.02%	2.26%	76 bps
Interest	12.87	12.19	
Depreciation	2.41	0.78	
Other Income	2.28	0.89	
Exceptional Item	0.00	0.00	
Profit Before Tax	39.33	16.65	
Tax	3.49	1.72	
PAT	35.83	14.93	140.07%
PAT Margin	2.07%	1.18%	89 bps
EPS in Rs.	26.67	13.70	

Consolidated Balance Sheet Highlights - FY17



Particulars (Rs. Cr)	As at 31 st Mar-17	As at 31 st Mar-16
Shareholder's Funds	147.44	62.58
Share capital	13.44	10.90
Reserves & Surplus	134.01	51.68
Non-current liabilities	31.36	70.93
Long term borrowings	0.00	25.99
Deferred Tax liabilities	0.58	0.00
Other Long-Term liabilities	30.35	44.85
Long-Term Provisions	0.42	0.10
Current liabilities	296.05	244.85
Short Term Borrowings	121.02	76.06
Trade Payables	148.35	147.01
Other Current liabilities	23.80	20.03
Short-term provisions	2.88	1.75
Total Equities & Liabilities	474.84	378.36

Particulars (Rs. Cr)	As at 31 st Mar-17	As at 31 st Mar-16
Non-current assets	49.08	42.68
Fixed assets	39.96	4.77
Deferred tax assets	0.00	0.03
Non-current Investments	0.00	36.45
Long-term loans & advances	9.12	1.43
Other non-current assets	0.00	0.00
Current assets	425.76	335.68
Current investments	0.05	0.0
Inventories	72.02	74.15
Trade receivables	262.62	225.46
Cash & Cash equivalents	52.45	7.54
Short-term loans & Advances	37.95	27.24
Other Current Assets	0.67	1.29
Total Assets	474.84	378.36



Company Overview



Amongst leading manufacturers of Copper products in India

Amongst leading manufacturers of Copper products in India

- **Head quartered in Delhi** with plants in Himachal Pradesh - RCI Copper & RCI Strips
- In addition to **copper**, capacity for **production of brass, 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 (Round products) and Baddi - 2,400 MT** - increase to **24,000 MT by FY19 (Flat Products)**
- Average capacity **utilization of both plants at 70-75%**
- **Advanced technology** and high graded raw material deployed
- Warehousing facilities 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
- **200+** customers

Products internationally certified

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

Integrated product suite offerings

Experienced Management Team

Rajeev Gupta
Chairman & MD



- Graduate in commerce from Hindu College, Delhi University
- Rich experience of 30 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



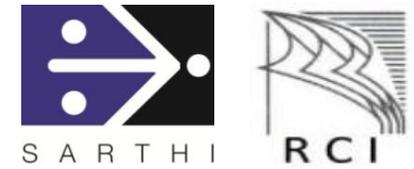
- B Com from Delhi University
- Experienced Corporate Planning professional with over 30 years experience
- Expertise in supply chain management and research & development

Mr. I.P. Saboo
CFO



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

Key Strengths



Multi-Product Portfolio

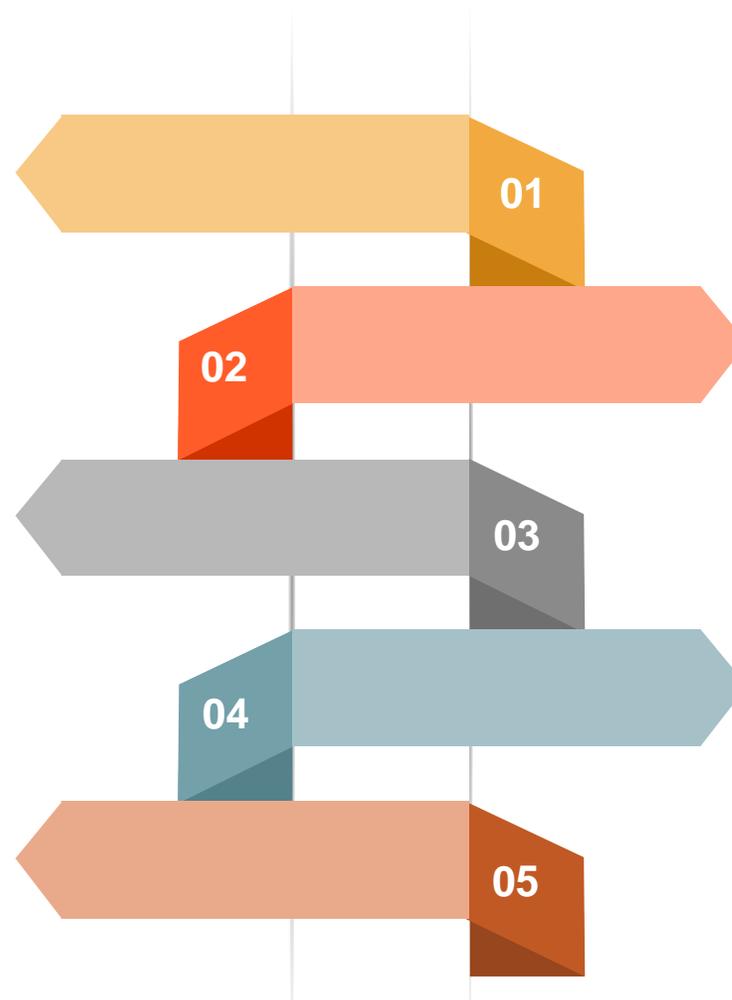
- Well balanced product mix
- Expanding range of products at regular intervals
- Expertise to re-roll / process any special materials
- Focus on expansion of Flat product portfolio

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

Increased profitability on account of shift in product mix, better capital utilization & cost efficiencies

Key Customers



HAVELLS

Finolex

INDOASIAN
energy management

SURYA STEEL

MODVAK
Manufactures . Engineers . Suppliers

FSEM
Cooling Since 1971
SUPER COOLING
RADIATORS

KDDL Limited

Surya Power Solutions

QI
QUALITY INDUSTRIES
PRECISION METALWORKS

TECHNOCRAFT
INDUSTRIES INDIA LTD.

Alpha Radiator
903-464-0066

golden peacock
OVERSEAS LIMITED

REPL

Grand RADIATORS

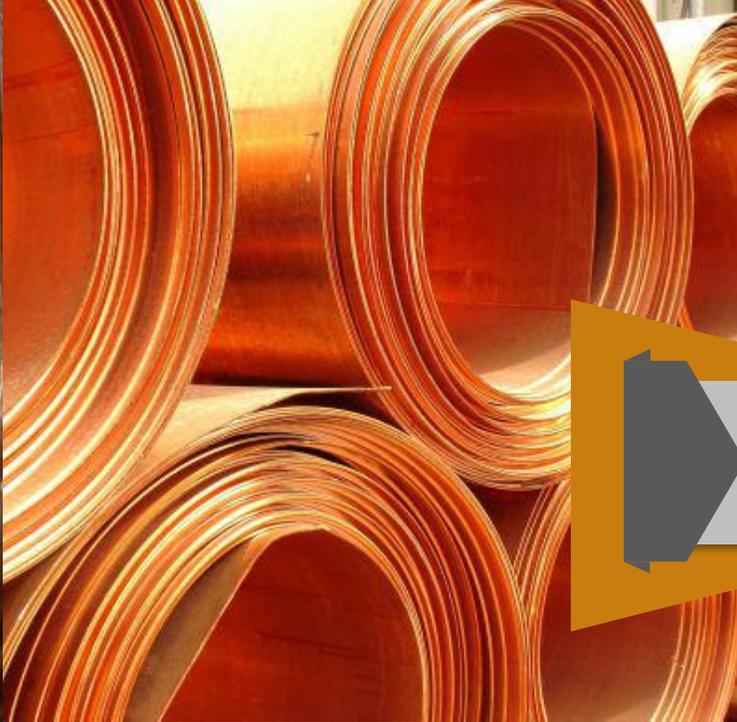
Certifications



ISO 9001-2015



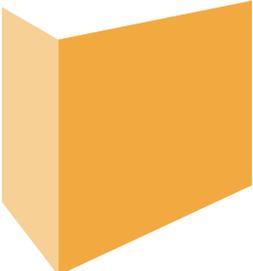
ISO 14001-2015



Opportunity & Way Ahead

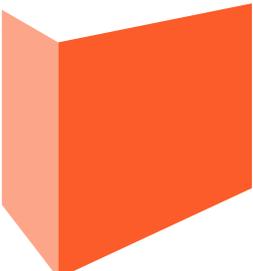


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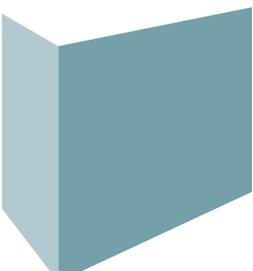


India - among top 20 major producers of copper globally

- 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

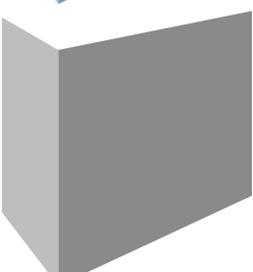


India is one of largest copper/copper product importers alongside China, Japan, South Korea and Germany



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

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 mint**

Entering new
geographies

04

- RCI World Trade Link DMCC set up in Dubai focused on trade in the Middle East

01

Strategic Shift to Manufacturing across multiple products

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

02

Foray into Defence and the Mint

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

03

Focus on Value-Added Products

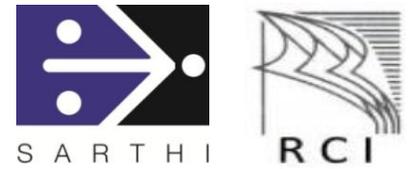
- To manufacture flat rolls which have better realisations
- To manufacture a unique tape (copper and stainless steel) which is currently imported
- Production at Baddi plant for tin strips / wire and other articles of tin

04

CAPEX for enhanced Production Capacity

- Increase capacity from 2,400 MT to 24,000 MT by FY19
- ~Rs. 80 crore capex towards enhancing existing capacity of flat products; targeting to achieve asset turnover of 10:1 at 80% capacity utilization
- Capex done through preferential issue and internal accruals

Disclaimer

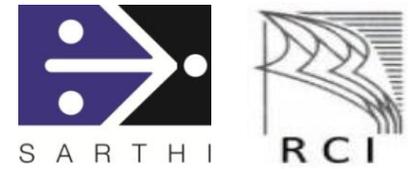


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This document contains certain “forward-looking statements”. These forward-looking statements can generally be identified by words or phrases such as “aim”, “anticipate”, “believe”, “expect”, “estimate”, “intend”, “objective”, “plan”, “project”, “shall”, “will”, “will continue”, “will pursue” or other words or phrases of similar meaning. Similarly, statements that describe strategies, objectives, plans or goals are also forward-looking statements. Sarthi Capital Advisors Pvt. Ltd. cannot assure investors that the expectation reflected in these forward-looking statements will prove to be correct. Given these uncertainties, investors are cautioned not to place undue reliance on such forward-looking statements and not to regard such statements as a guarantee of future performance.

Thank You



For further information, please contact:

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Chief Financial Officer

Mr. Abhishek Kedia
Company Secretary

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