

GOOD LUCK

Infinite Possibilities

**INVESTOR PRESENTATION
OCTOBER 2014**

GOOD LUCK STEEL TUBES LTD

CONTENTS



- 1) Factsheet
- 2) Management background
- 3) Key Differentiators
- 4) Core Product Offering
- 5) List of Big Clients
- 6) Financials & SHP
- 7) SWOT Analysis
- 8) Expansion Outlook
- 9) Industry Highlights & Global Steel Outlook



FACTSHEET



Incorporation	1986, Delhi NCR
Products categories	CDW Tubes, Forged engineering products, Bright Bars Transmission and distribution tower for power, primary and secondary structure for boilers Galvanized corrugated sheets ,Black and GI Pipes
	Annealed sheets for white goods(CRCA)
Specialization	Automobile tube, structural tubes, fabricated galvanized structures, forged shafts and flanges, black and galvanized pipes
Key Industries Served	Automobile, agriculture and horticulture, power transmission and distribution, solar power, oil and gas , infrastructure, white good OEMs, heavy and medium engineering industry, defence and nuclear industry
Key Financials (FY 2014)	Revenue (Cr) : 1002.05 OPM (%) : 7.09 NPM(%) : 1.77 EPS : 9.46
Export Destinations	More than 70 countries across the globe including USA, Latin America, UK, Germany, France, Africa, gulf countries, Australia, South East Asian countries

MANAGEMENT BACKGROUND



Mr. Mahesh Chandra Garg – Chairperson

- Graduated in the year 1967 (Indian Institute of Technology, Roorkee)
- Possesses more than 45 years experience
- Took-up an overseas assignment with M/s Comcraft Ltd. Promoted by NRIs and erected many steel tube mills in Kenya and Nigeria and thereafter started his own venture

Mr. Ramesh Chandra Garg – Whole Time Director

- Graduation in the field of mining (ISM – Dhanbad) .
- Being the Dy. Chief Mining Engineer, he had a distinguished career with M/s Coal India Ltd.
- Possesses more than 40 years of experience.

Mr. Nitin Garg – Whole Time Director

- 34 years of age, a qualified Mechanical Engineer from HBIT, Kanpur and an M.B.A. from Narsee Monjee Institute of Management.
 - Worked with Yamaha Motors and Honda Motors.
 - Joined the company as a production Engineer and currently looking after entire production process independently
-

MANAGEMENT BACKGROUND



Mr. Ram Agarwal – CEO

- Qualified engineer and completed his graduation in the year 1990.
- 24 years experience in steel industries.
- Handled a number of CR projects and Structure projects independently.
- Maintains an equivalent exposure in the field of sales and marketing

Mr. Manish Garg – COO

- 44 years of age, is an qualified engineer, handling over all the Export Business since last 22 years.

Mr. Shyam Agarwal – COO

- 44 years old, is a qualified engineer and has more than 20 years of experience in steel Industry.
-

KEY DIFFERENTIATORS



KEY DIFFERENTIATORS



CUSTOMIZED ENGINEERING PRODUCTS

- Customized products ranging from auto tubes, forging products to galvanized sheets and coils have made the company renowned.

GEOGRAPHIC ADVANTAGE

- Skilled manpower
- Cheap labor
- Located at DMIC (Delhi Mumbai Industrial Corridor) corridor
- Proximity to dry port

CLEAN ENERGY

- There is an agreement with natural gas suppliers through pipeline
- Uninterrupted power supply through connectivity with dedicated 33 KB feeder

CSR

- Free regular health checkup camps for employees and local communities.
- Accommodation and meal facilities for labour.
- Financial aid to charitable cancer hospital and eye care centers and pathology on charitable basis.
- Financial aid to local school (strength upto 3300 students) for under privileged to provide education up to 12th grade.
- Promote clean and green environment by planting 1500 plus plants in nearby areas and developing public parks for local community

R&D

- Special R&D team of professionals for every product segment

STRONG EXPORT BASE

- Exports ~40% of its production to more than 70 countries across the globe including USA, Latin America and EU countries



LIST OF CLIENTS



AUTO



POWER



INFRASTRUCTURE



SOLAR



OIL AND GAS



HEAVY & MEDIUM INDUSTRY, DEFENCE AND NUCLEAR

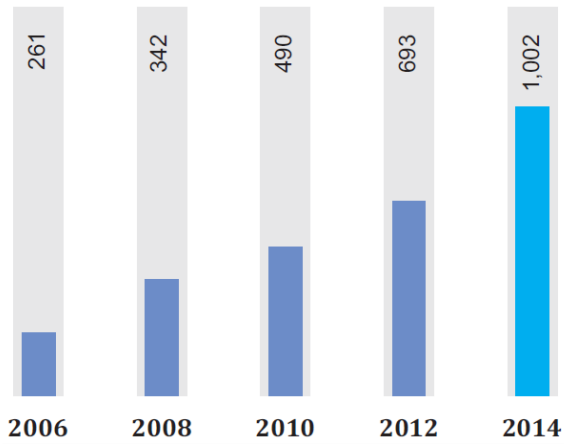


FINANCIALS



TOTAL INCOME

Rs. in Cr.



Financial Year

EBITDA

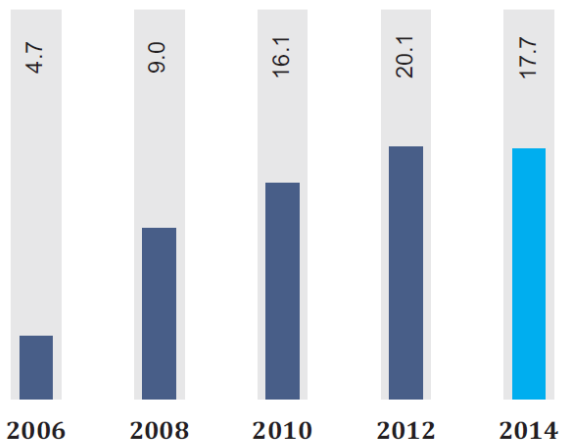
Rs. in Cr.



Financial Year

PAT

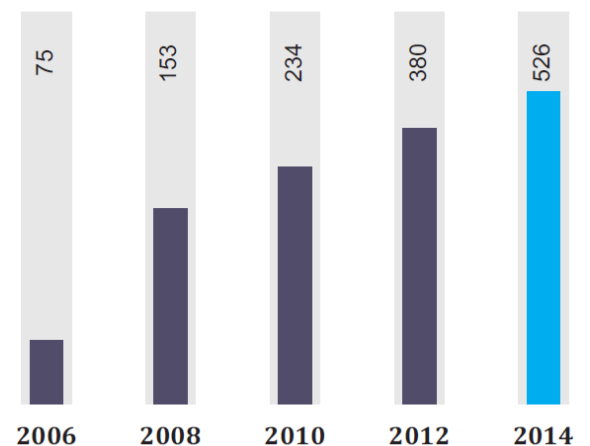
Rs. in Cr.



Financial Year

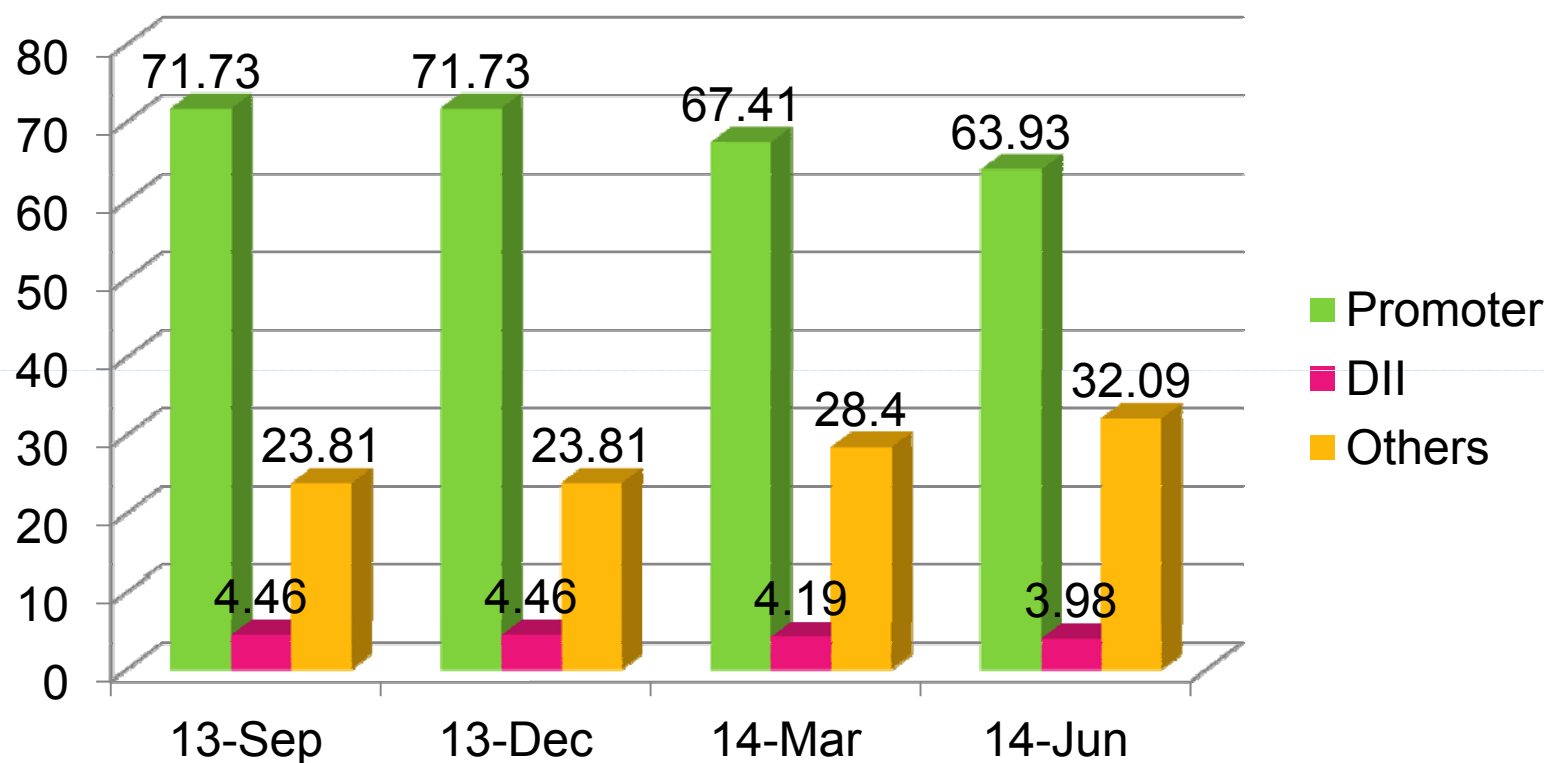
TOTAL ASSETS

Rs. in Cr.



Financial Year

SHAREHOLDING PATTERN



An increase is observed in shareholding of Others with a decrease in Promoter shareholding due to **issue of share warrants** on preferential basis to non promoters in **Q3'13** and **complete conversion into equity shares** of the same by **Q1'14**

SWOT ANALYSIS



STRENGTHS

- ❖ Diversified and right mix of products
 - ❖ Widespread presence in domestic and overseas markets
 - ❖ Consistent R&D and product modification
-
- ❖ Highly qualified team of professionals
 - ❖ A visionary and committed management board

WEAKNESS

- ❖ Lesser turnover of each product
- ❖ Heavy cost of funds
- ❖ Distance from major ports



SWOT ANALYSIS



OPPORTUNITY

- ❖ Increase in government investments in infrastructure, nuclear and green energy
- ❖ India, to become an automobile hub for international players
- ❖ Low per capita consumption of steel and value added products in India
- ❖ Launch of “Make in India” campaign by the Indian Government has put the country prominently on the global manufacturing map

THREAT

- ❖ Foreign exchange instability
- ❖ Fluctuation in raw material prices
- ❖ Change in government policies



EXPANSION OUTLOOK



- New **auto tube/CDW tube plant** with modern techniques is expected to be commissioned by Dec 2014 to cater the increased demand of Auto and General Engineering industries.
- Company planning to expand its manufacturing facilities and adding new products of Structure Steel by introducing latest modern eco-friendly machineries with an investment of **~Rs. 50 Crore**, to be spread over next year 2015. The structure steel will be used in Infrastructure Projects, Power T&D, Solar Energy, Nuclear Energy , Railways and other Heavy Engineering Industries.
- Expansion in **Forging Division** by adding Robotic Manipulator and Electro Hydraulic Hammers with an investment of **Rs.100 Crore**, enabling to save labour & energy cost and to supply higher range products to tap the opportunities arising out of growing trend of Oil & Gas Sector, Defense & Power Industry and other critical sectors..

INDUSTRY HIGHLIGHTS



- Fitch expects steel demand growth to start to improve from the second half of fiscal 2014-15, supported by a pick-up in consumption
 - Ernst & Young expects India's steel consumption to grow to 83 million tonnes by the end of 2014-15
-
- The domestic steel demand is likely to grow at a faster pace in comparison of world steel market; expected to grow at a rate of 6.7% annually till 2016-17
 - Government's decision of setting up new 'smart cities' and redevelopment of airports will spur demand for metal companies

GLOBAL STEEL OUTLOOK



- In 2014, global demand is forecast to grow faster at about 3.3%.
- Growth in Demand is expected to come from outside China as the Chinese Government pushes through economic restructuring with a focus on private consumption.
- In Europe, steel demand expected to increase by a robust 3% in 2015 on the back of investment in the infrastructure and manufacturing sectors.
- US imports (specifically steel sheets) are up 37% from last year. US steel demand expected to improve on the back of residential construction, grown automotive production and energy investments.

SAFE HARBOR



Some of the statements in this document that are not historical facts are forward-looking statements. These statements entail risks and uncertainties that could cause actual events to differ materially from these forward-looking statements. These risks include, but are not limited to, the level of market demand for our product, market situation for our key inputs, market conditions that could cause our customers to reduce their spending for our products, our ability to create, acquire and build new businesses and to grow our existing businesses and other risks not specifically mentioned herein but those that are common to industry. The Company does not undertake to update these statements publicly to reflect changed eventualities



For any investor relations queries, please contact:

E-mail: research@i-cubeindia.com

Phone: +91 75061 31222