



**RUCHIRA
PAPERS**

RUCHIRA PAPERS LTD.

INVESTOR PRESENTATION
JUNE 2017



Disclaimer

This presentation and the following discussion may contain “forward looking statements” by Ruchira Papers Limited (“Ruchira” or “RPL” or the “Company”) that are not historical in nature. These forward looking statements, which may include statements relating to future results of operations, financial condition, business prospects, plans and objectives are based on the current beliefs, assumptions, expectations, estimates and projections of the management of RPL about the business, industry and markets in which RPL operates.

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Company Overview
Business Strategy
Facilities Overview
Growth Drivers & Outlook
Financial Overview

Company Profile

Ruchira Papers Limited is engaged in manufacturing of Writing and Printing paper & Kraft paper.

The Company's white writing and printing paper is used in the fabrication of note books and writing material.

The coloured paper is used in the fabrication of spiral notebooks, wedding cards, shade cards, children's colouring books, coloured copier paper and bill books.

Its Kraft paper finds applications in the packaging industry for making corrugated boxes/cartons and for other packaging requirements.

The company also manufactures special grade of Kraft paper called 'DTY Grade' and 'POY Grade' which are used to produce textile tubes and paper core-pipes.

The manufacturing plant is in Himachal Pradesh with a total production of 66,426 MT and 50,351 MT of Kraft paper & Writing and Printing paper respectively in FY17. The plant also has an integrated chemical recovery plant.

Promoters' Profile

Shri Jatinder Singh
Chairman & Whole Time
Director

Jatinder Singh, aged 62 years, is an Engineering Graduate from Punjab University. He is one of the Promoters of Ruchira Papers Limited and has been looking after the affairs of the company as a Whole Time Director. Over the years, he has acquired deep insight into the working of Paper Industry. He has been looking after the Finance, Administration and Raw Material Procurement of the company.

Shri Subhash Chander Garg
Co-Chairman & Whole
Time Director

Subhash Garg, aged 74 years, is Law graduate and has expertise in field of taxation. He is one of the Promoters of Ruchira Papers Limited and has been looking after the affairs of the company as a Whole Time Director. He has been looking after the Taxation, Marketing and Sales functions of Ruchira Papers Limited since its inception and having rich marketing experience.

Shri Umesh Chander Garg
Managing Director

Umesh Garg, aged 67 years is a Graduate and has been associated with Ruchira Papers Limited right from the conceptual stage. He is one of the Promoters of Ruchira Papers Limited. He is controlling day-to-day affairs of the Company as the Managing Director. He has been the key man in the selection of various machineries and all expansion projects were executed under his guidance. He has been looking after the Production, Maintenance and Technical aspects of the company.

Vision & Core Values



Products Profile

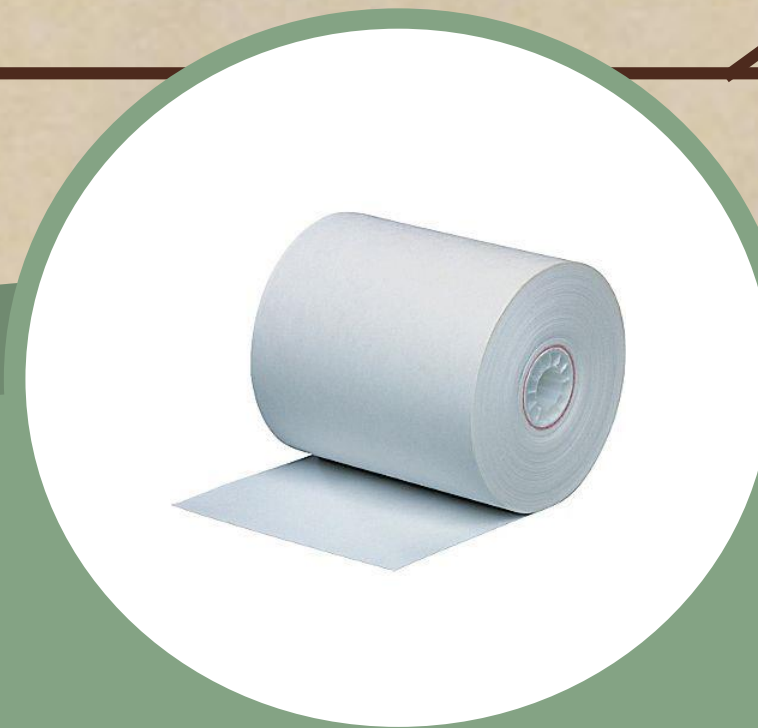


Kraft Paper

Used in the packaging industry especially in making corrugated boxes / cartons and other packaging requirements. Special features of the Company's Kraft Paper are the load bearing capacity and tensile strength, which make it suitable for corrugated packing applications.

Production 2016-17: 66,426 MT

Manufactured by using agriculture residues, such as Bagasse, wheat straw, sarkanda and indigenous and imported waste paper.



Writing & Printing Paper

Used in the fabrication of note books and writing material; coloured paper is used in the fabrication of spiral notebooks, wedding cards, shade cards, children's colouring books, coloured copier paper and bill books.

Production 2016-17: 50,351 MT

Manufactured by using agricultural residues, such as wheat straw, Bagasse, sarkanda and other materials.



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Focus Areas

Margin Driven

We are not a revenue-focused paper company. **We are a margins driven company instead.**

Niche Products

We are not in business only to mass-market. **We are excited by the prospect of manufacturing niche products fetching the highest realizations.**

Under Leveraged

We are present in a capital-intensive sector marked by large debt. **We are under-borrowed; we have virtually frozen the use of incremental working capital.**



Blue Ocean Strategy

We are not in business to capture market share. **We are driven by the prospect of finding new applications for our products (expanding the market instead).**

Environment Friendly

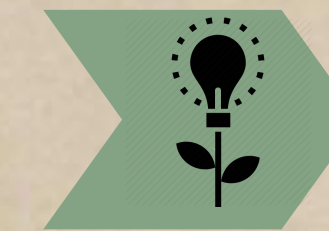
We are not in business to consume finite environment resources. **We are committed to the use of renewable agro-based resources.**

Working Capital Management

Most paper companies have long receivables and large inventory. **Ruchira Papers enjoys superior terms of trade; its superior product quality has translated into negligible finished stocks.**

Innovative Process

Until some years ago, there was no economic use for the straw that remained after farmers harvested their cereal crops in Himachal Pradesh, Haryana and Punjab. Nearly 90% of the remaining stalks were burned to clear fields for the next harvest.



An innovative program by Ruchira helped transform straw into a cash crop for thousands of farmers; while enhancing air quality and reducing carbon dioxide emission



Traditional pulping employs harsh chemical processes. Ruchira's Enzymatic Process eliminated the use of harsh chemicals, consumes up to 40% less energy and 90% less water than traditional methods.



The Process promoted the use of renewable crop, reducing the demand for wood-based fiber. Reduced cost from the transportation of wood-based molded to lighter, stronger alternative.



The Process helped reduced CO₂ emission by 25% compared with conventional wood fiber pulping.

Profiting from Efficiency

- Recorded 15.11% growth in Revenues and 64.61% increase in PAT in FY17.
- EBITDA margin improved by 206 bps to 15.16% and PAT margin improved by 231 bps to 7.68% in FY17.

Company's any-market and any-product competitiveness has been derived from just three words; **"Profiting from efficiency"**

Ruchira Papers has emerged among the most competitive agro-based paper manufacturers in India today - and also one of the fastest growing.

The company moderated costs, absorbed cost increases, widened product applications, strengthened value-addition and increased viability.

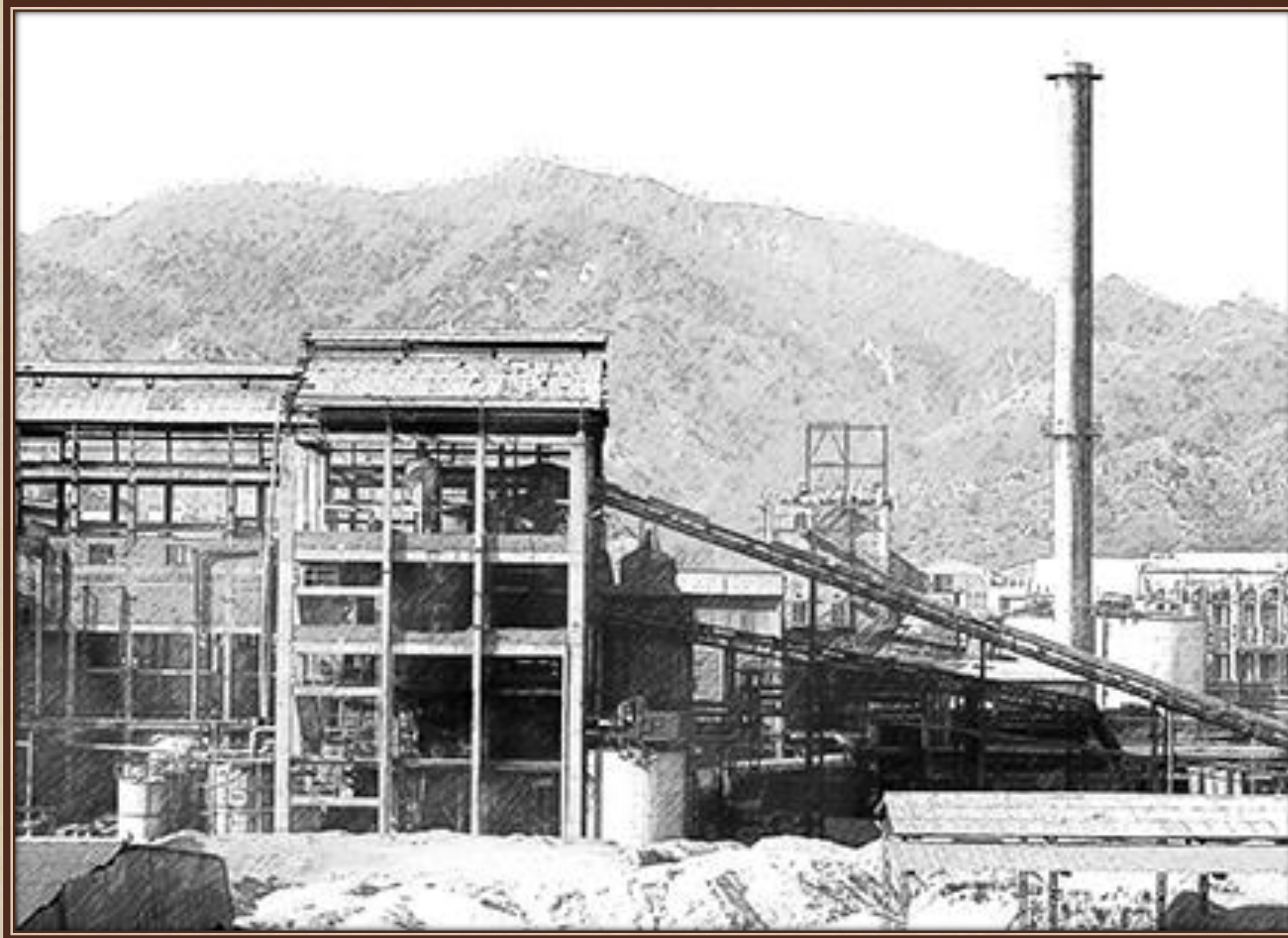
In a competitive paper manufacturing industry (Writing & Printing and Kraft), it is virtually impossible to pass cost increases to customers.





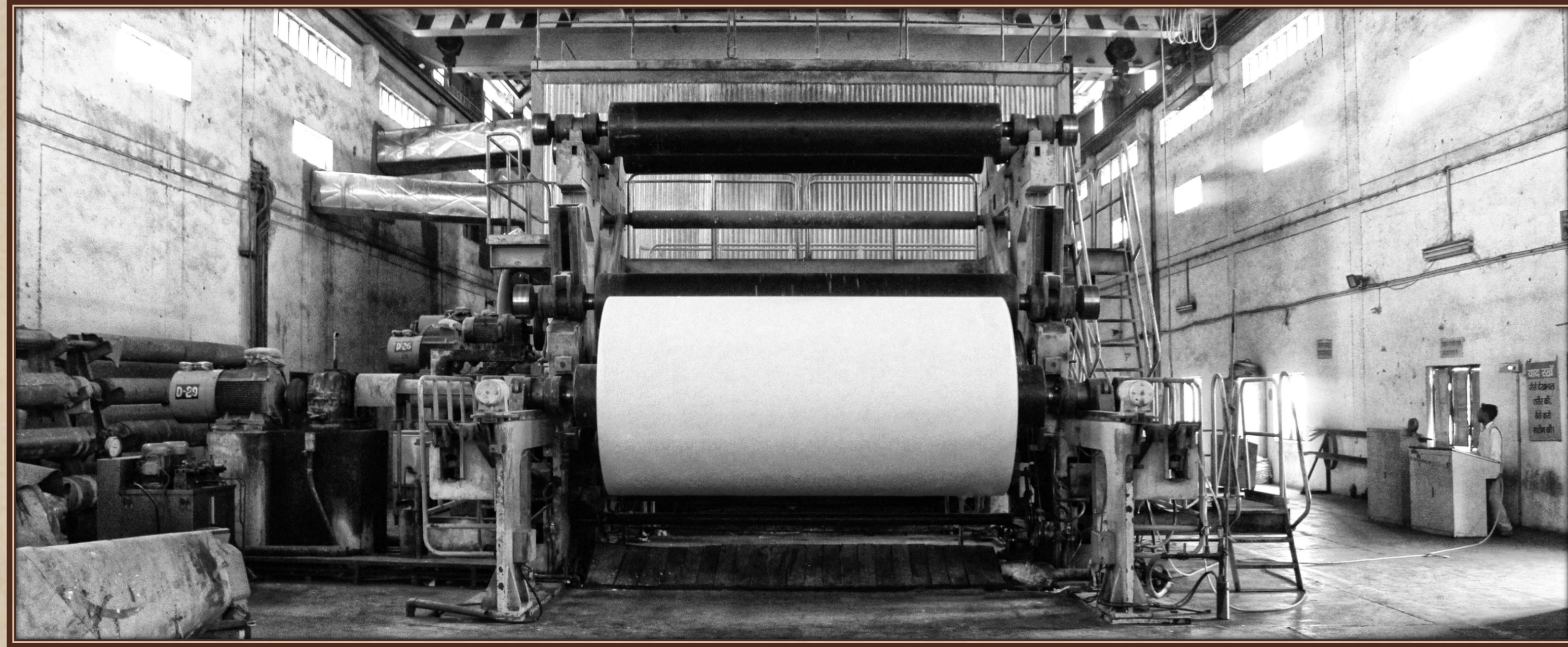
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Manufacturing Plants...1



- 100% excise exemption for ten years from 30 March 2008 for Writing and Printing unit
- Concessional central sales tax at 1.5% (2% in other states)
- Capital investment subsidy @ 15% of investment in plant and machinery, subject to a ceiling of Rs. 30 Lakh
- Lower power tariff in Himachal Pradesh compared to neighbouring states

Manufacturing Plants...2



- Our paper machine is state of the art having most advanced technology and equipped with latest parts.
- In paper machine, dilution head box is installed for more accurate CD profile control-interface with on line QCS (Quality control system-scanner) to maintain 2 sigma basis weight, caliper & moisture control.
- Our GSM range for Writing and Printing Paper is 49 to 170 and for Kraft Paper it is 100 GSM to 450 GSM. Machine is equipped with top former for two side de-watering, better filler distribution on both sides of paper and to minimize two sidedness.
- During FY16, we implemented a Rs 38.69 cr production debottlenecking programme.
- The debottlenecking programme will lead to an increase in production from 99,000 TPA to 128,000 TPA - out of which 116,776 TPA was achieved in FY17 and balance will be achieved in FY 18.
- The programme also helped amortise fixed overheads efficiently and strengthened overall competitiveness.

Manufacturing Plants...3



Chemical Recovery Plant - Conventional Recovery system with 2.5 MW turbine running independently on Recovery boiler steam.



Effluent Treatment Plant - Our ETP is based on Activated Sludge process, adopted internationally all over world in Pulp & Paper Industry. It consists of Equalisation tank, Saveall, Primary Clarifier, Aeration and Secondary Clarifier.

Manufacturing Plants...4



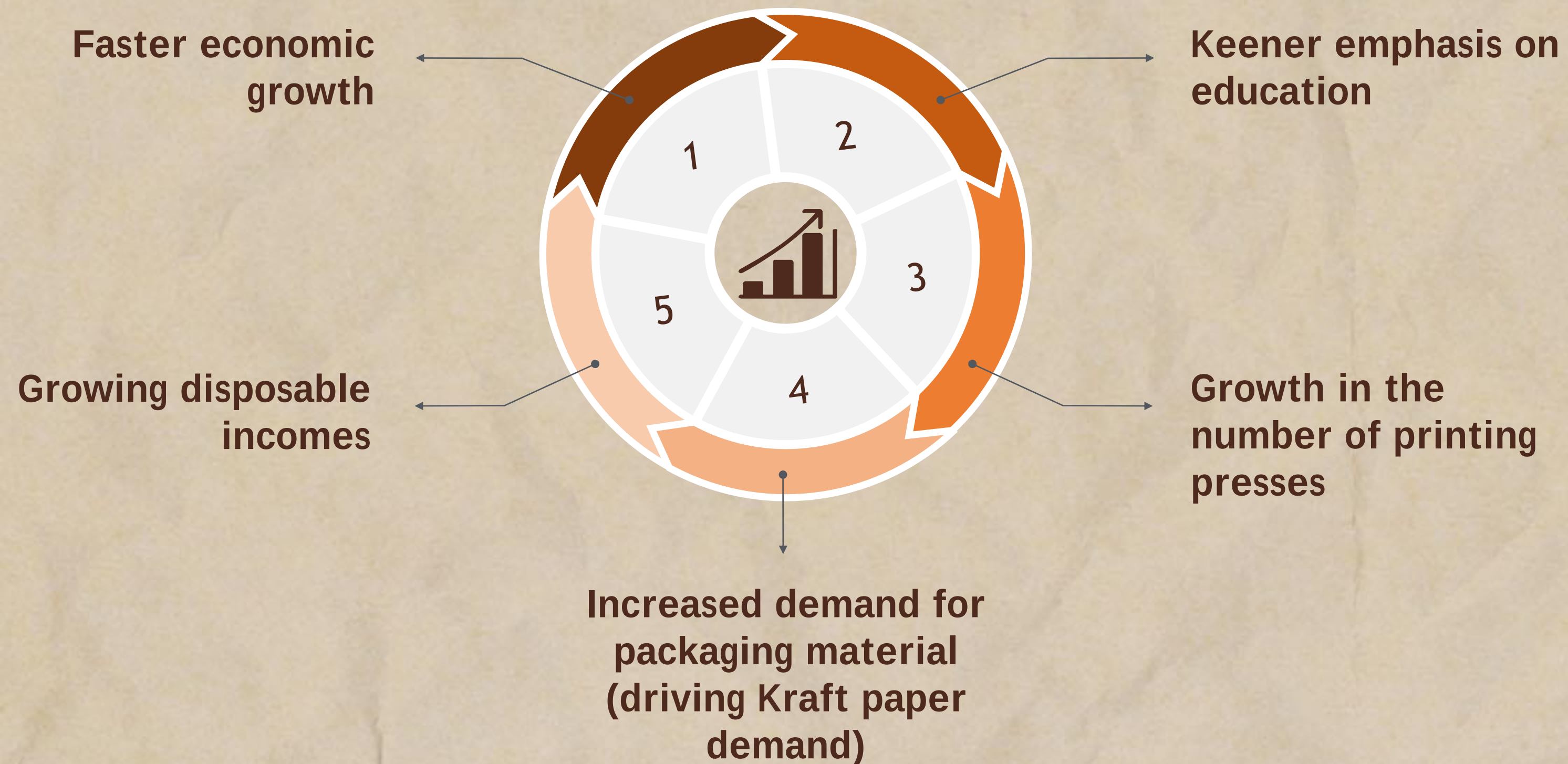
- The major utilities required for manufacturing paper are power, fuel, and water.
- In the Writing & Printing Plant, the Company set up 8.1 MW power co-generation plant for captive power consumption.
- Agricultural residues (bio-mass) are used as fuel comprising rice husk, bagasse, forest waste plants and pet coke.



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Growth Drivers & Outlook

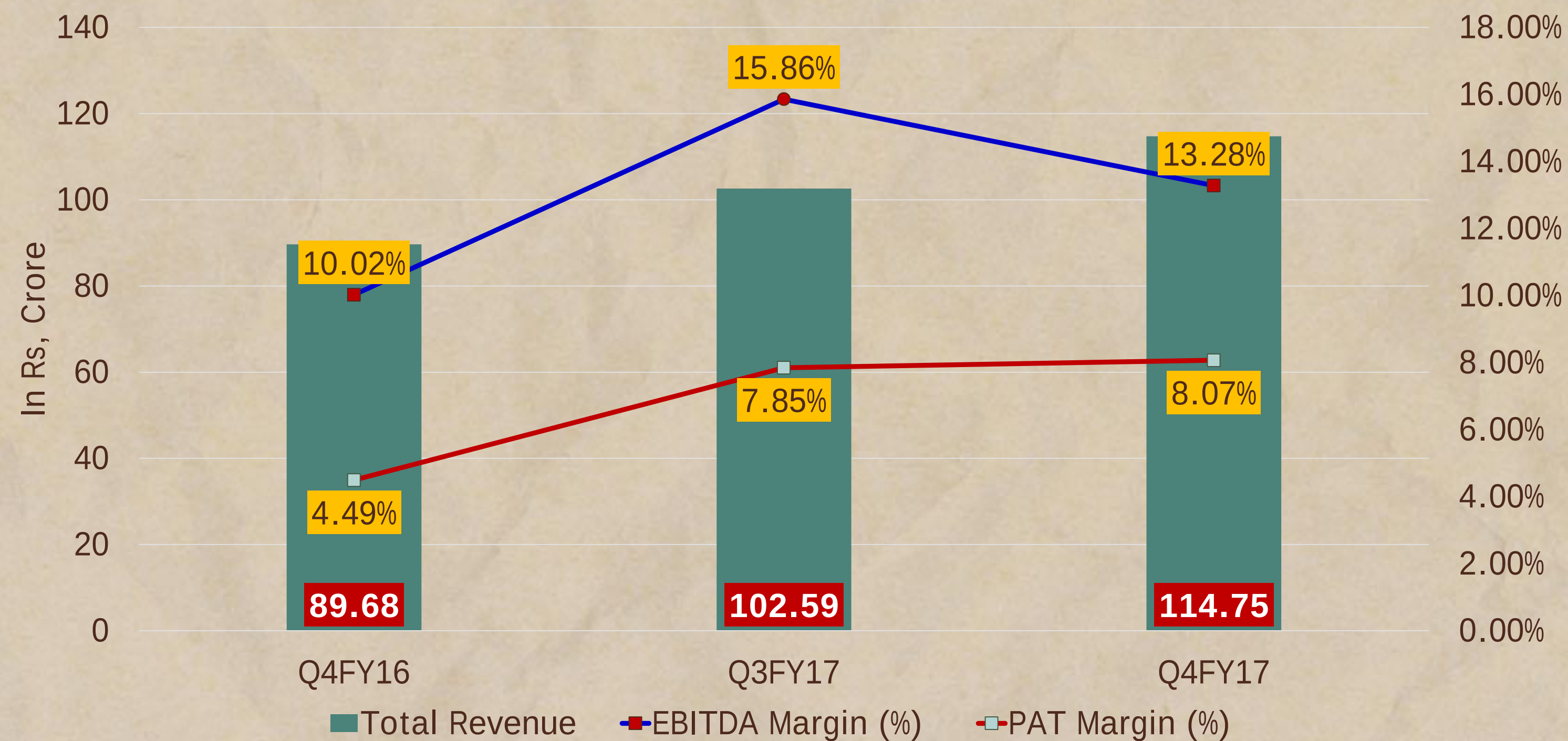


- India is one of the **fastest growing markets for paper** in the world, with a growth rate of ~6% and demand is projected to increase to ~23.5 mn tonnes by 2024-25, from the current 13.10 mn tonnes.
- Indian paper industry is estimated to grow at a **CAGR of 7.6%** over the next couple of years, in line with India's GDP growth.
- A spate of investments in writing paper manufacturing units is expected to prop the growth rate up to **~13% per annum**.
- Despite the continued focus on digitisation, India's demand for paper is expected to **rise by 53% over the next six years**, primarily due to a sustained increase in the number of school going children in rural areas.
- Growing consumerism, modern retailing, rising literacy (continued government spending on education through the Sarva Shiksha Abhiyan) and the increasing use of documentation will keep demand for writing and printing paper buoyant.

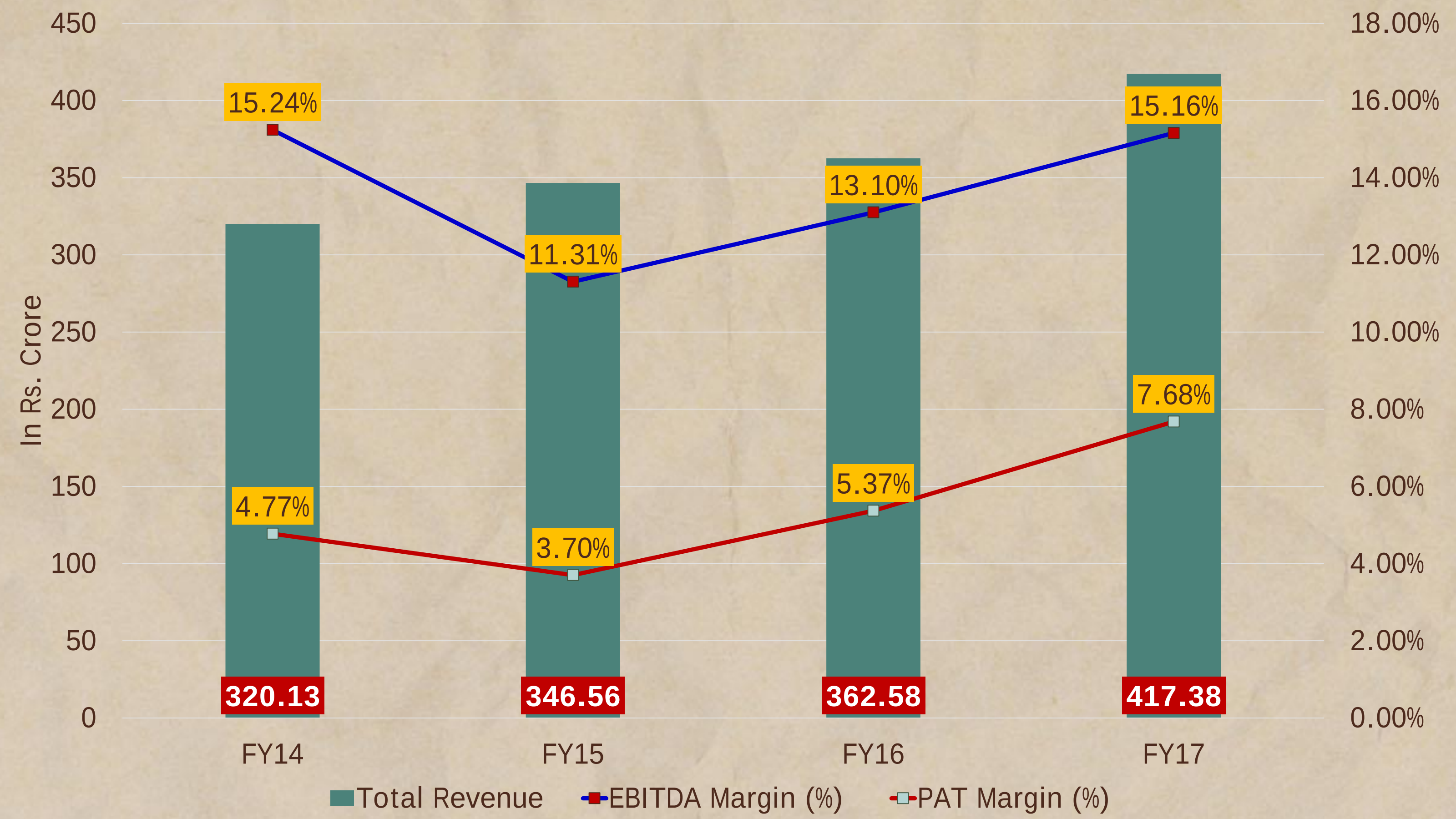


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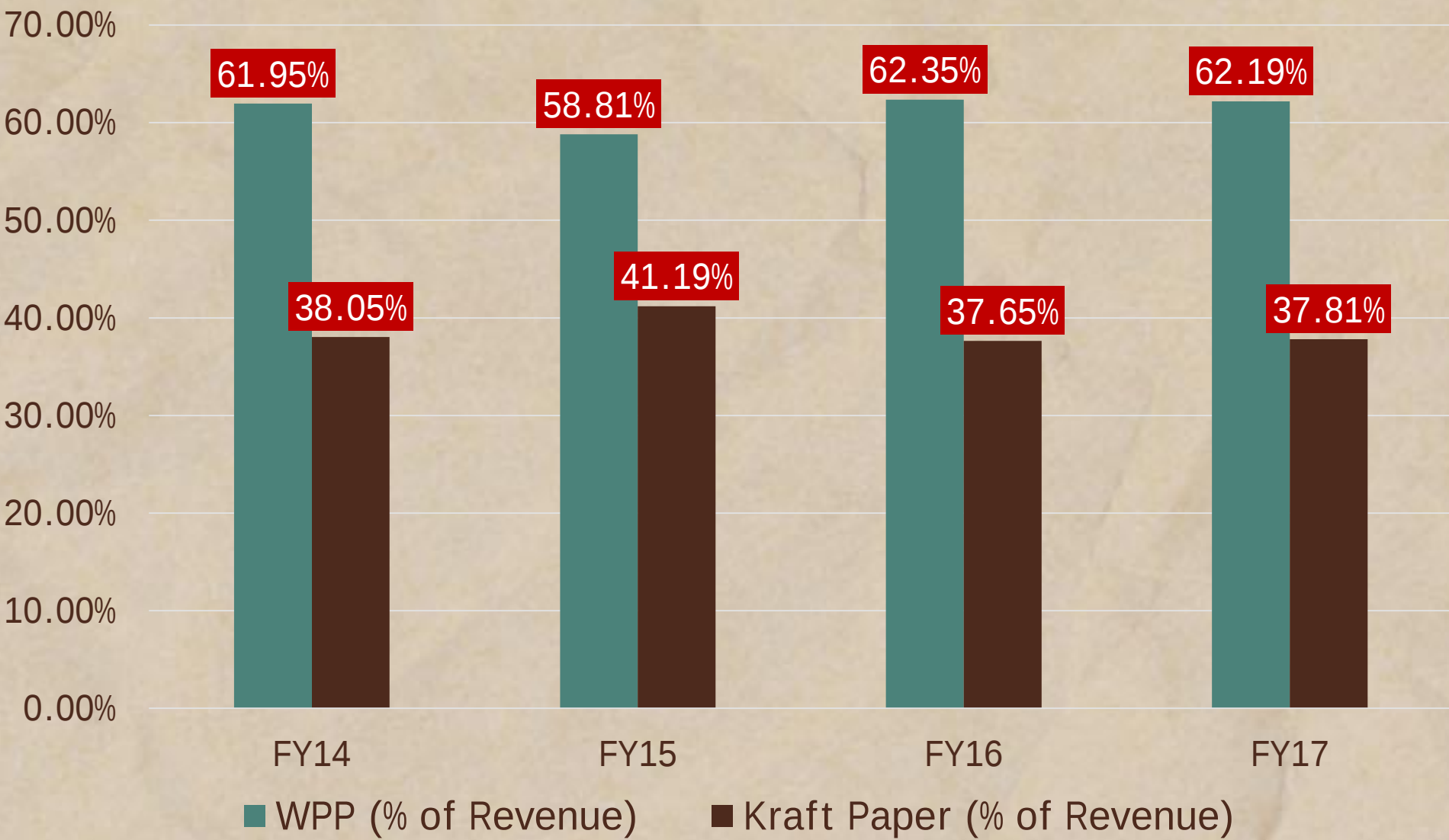
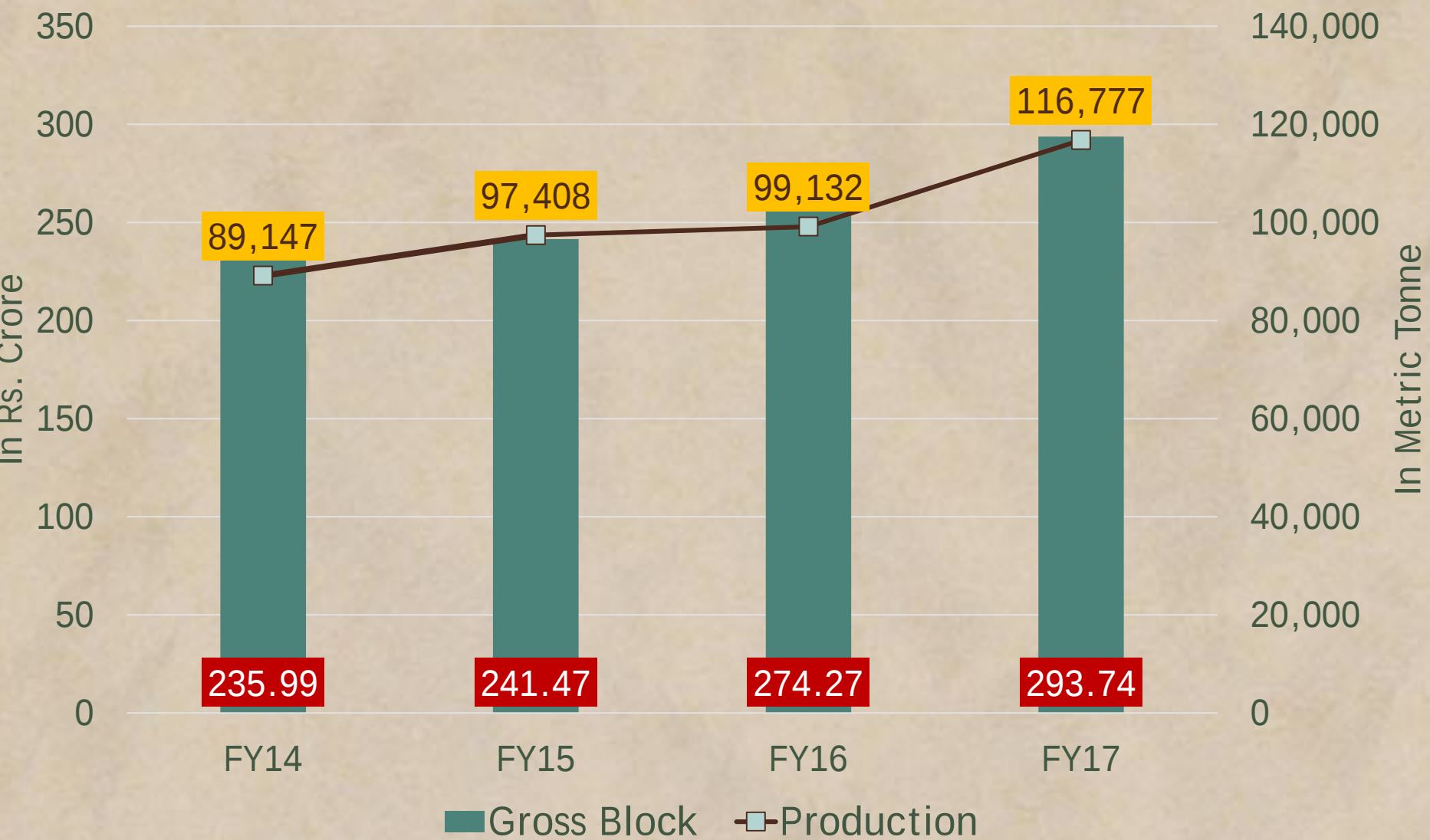
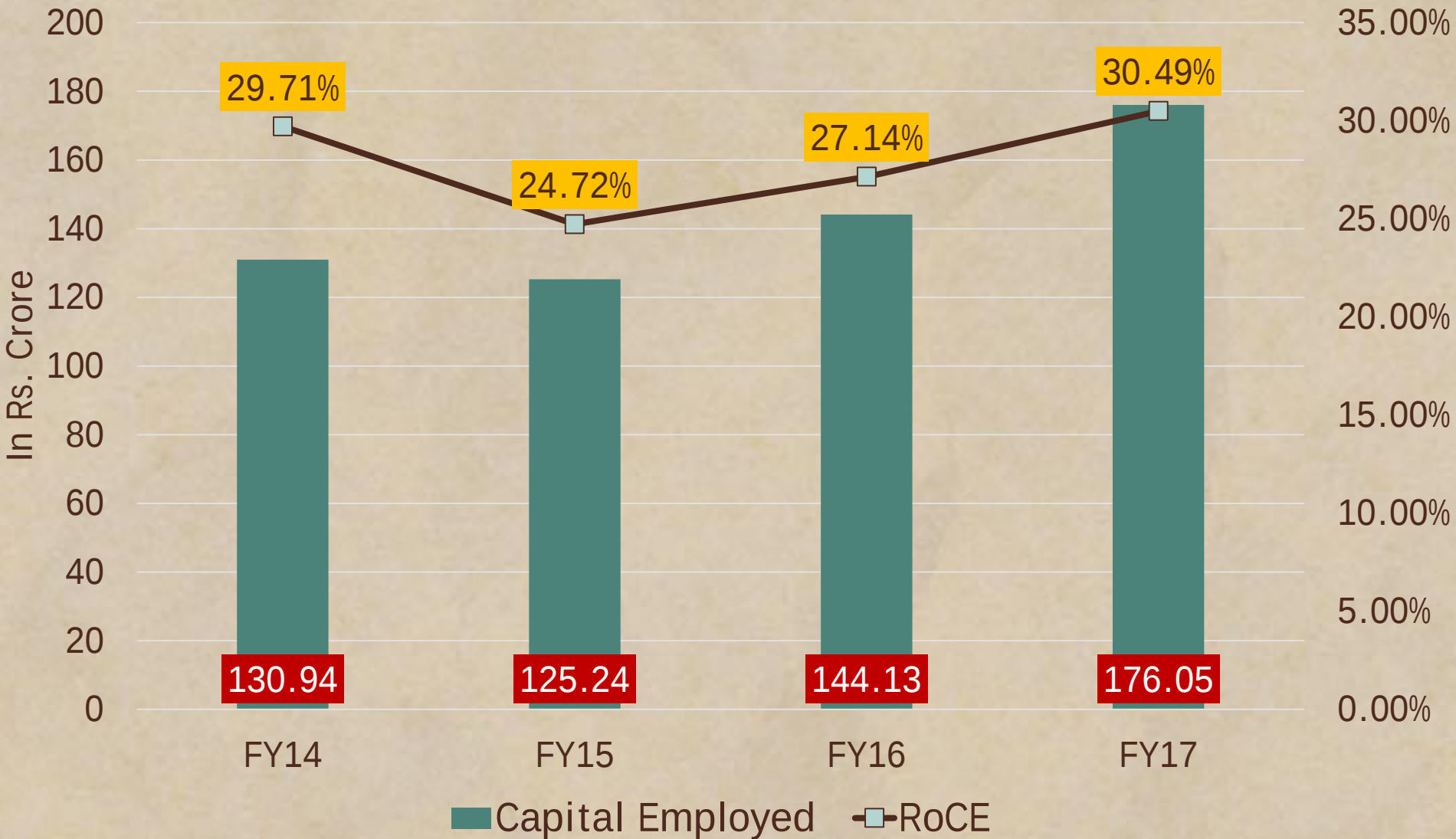
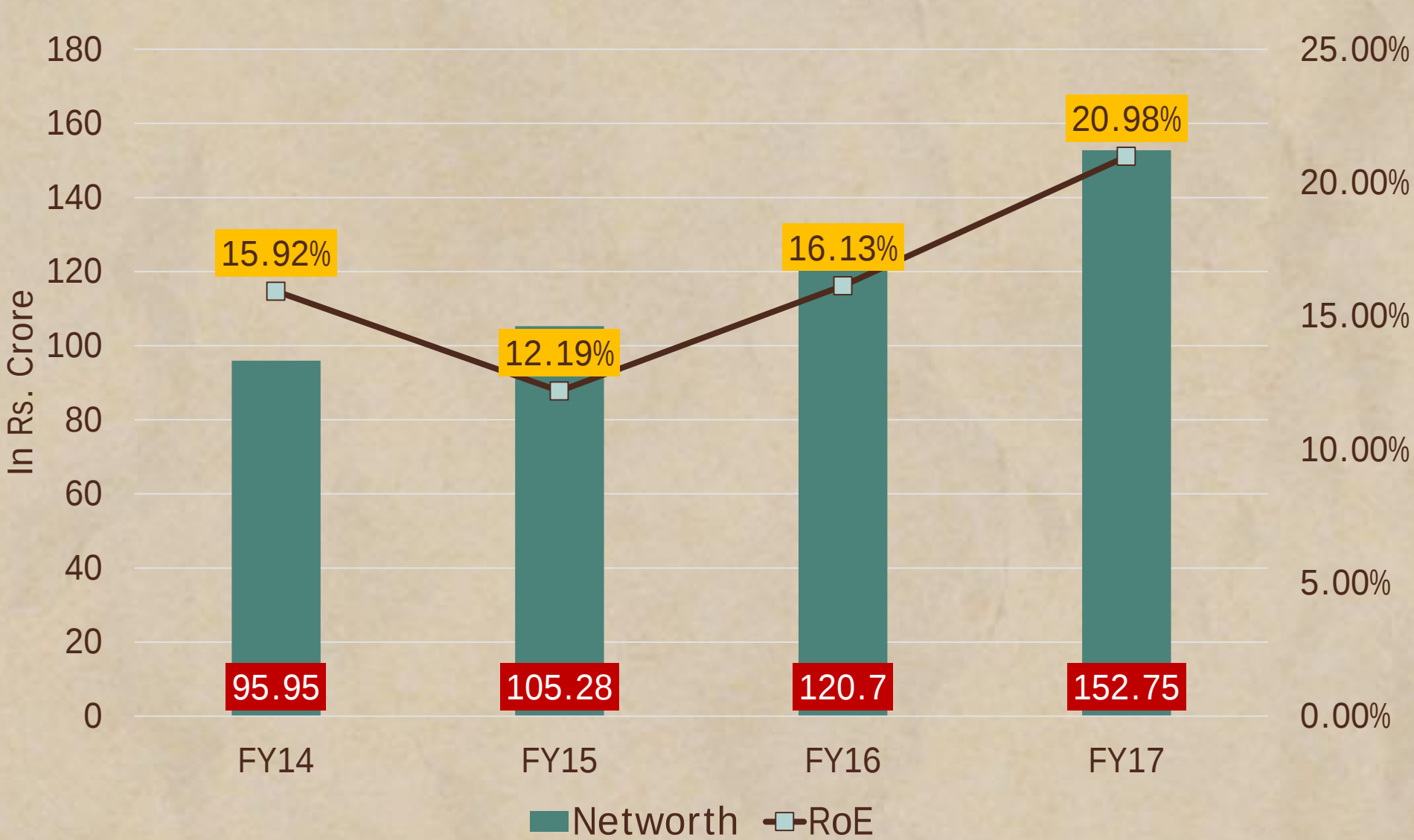
Q4FY17 Result Highlights



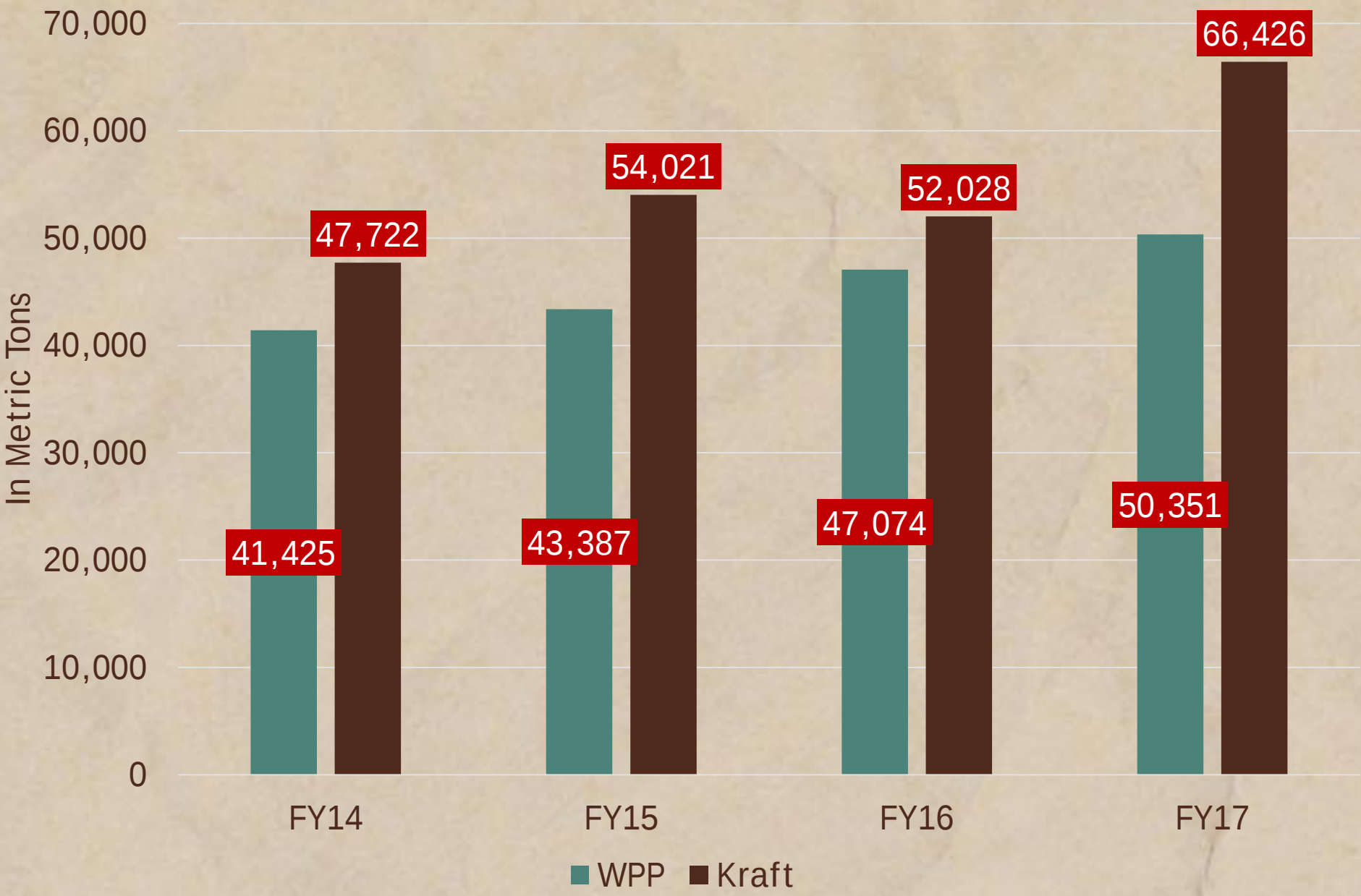
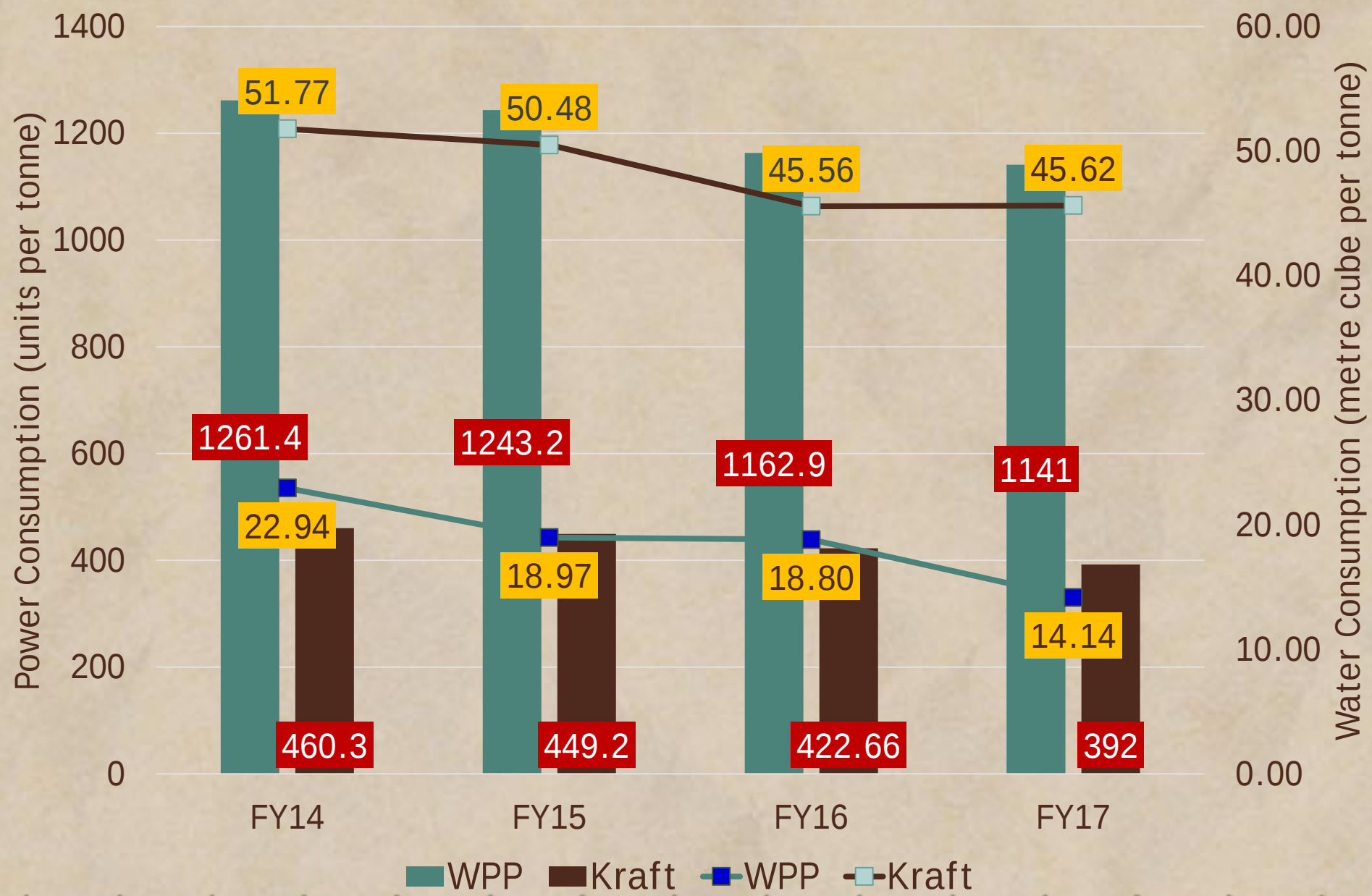
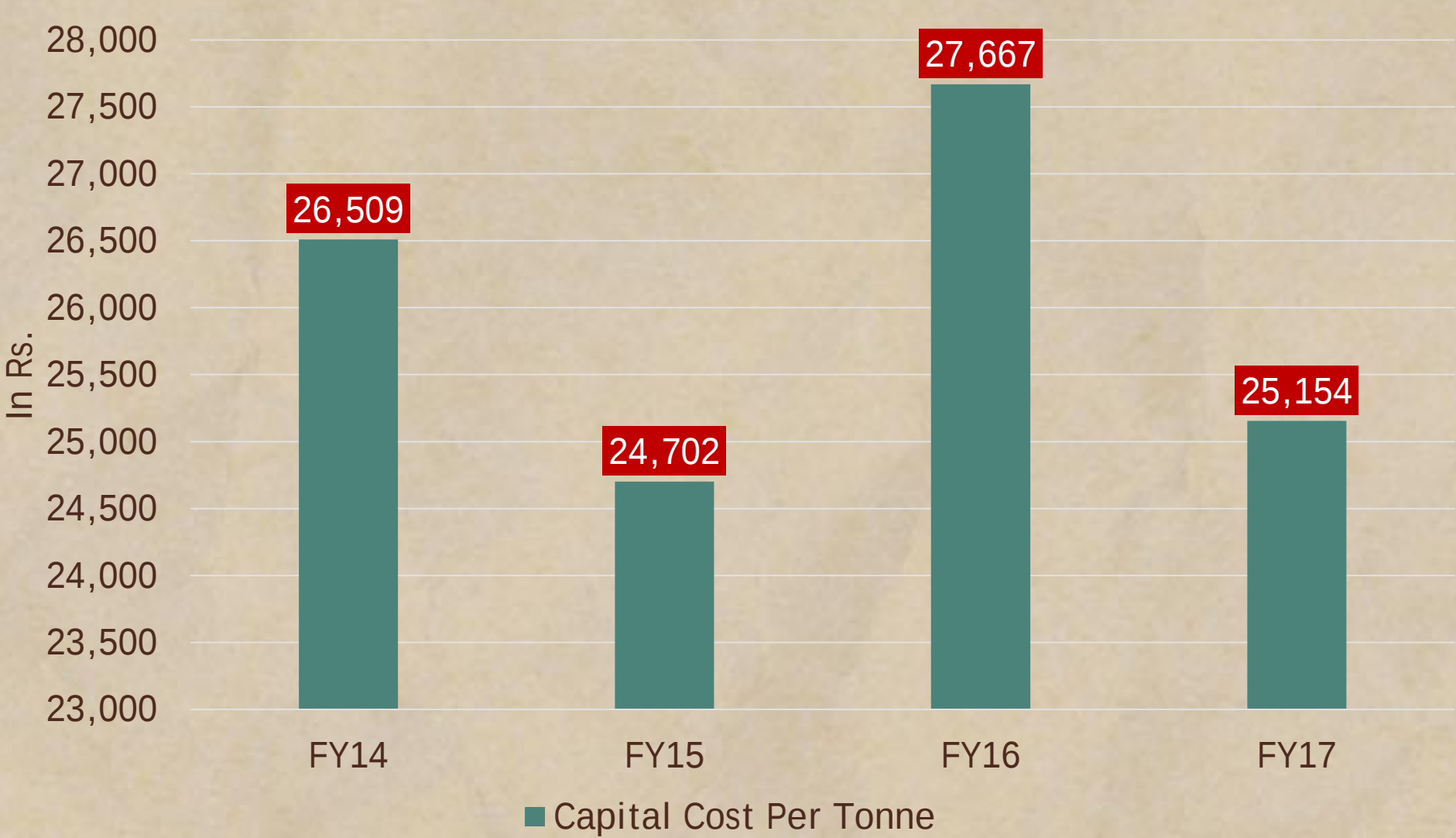
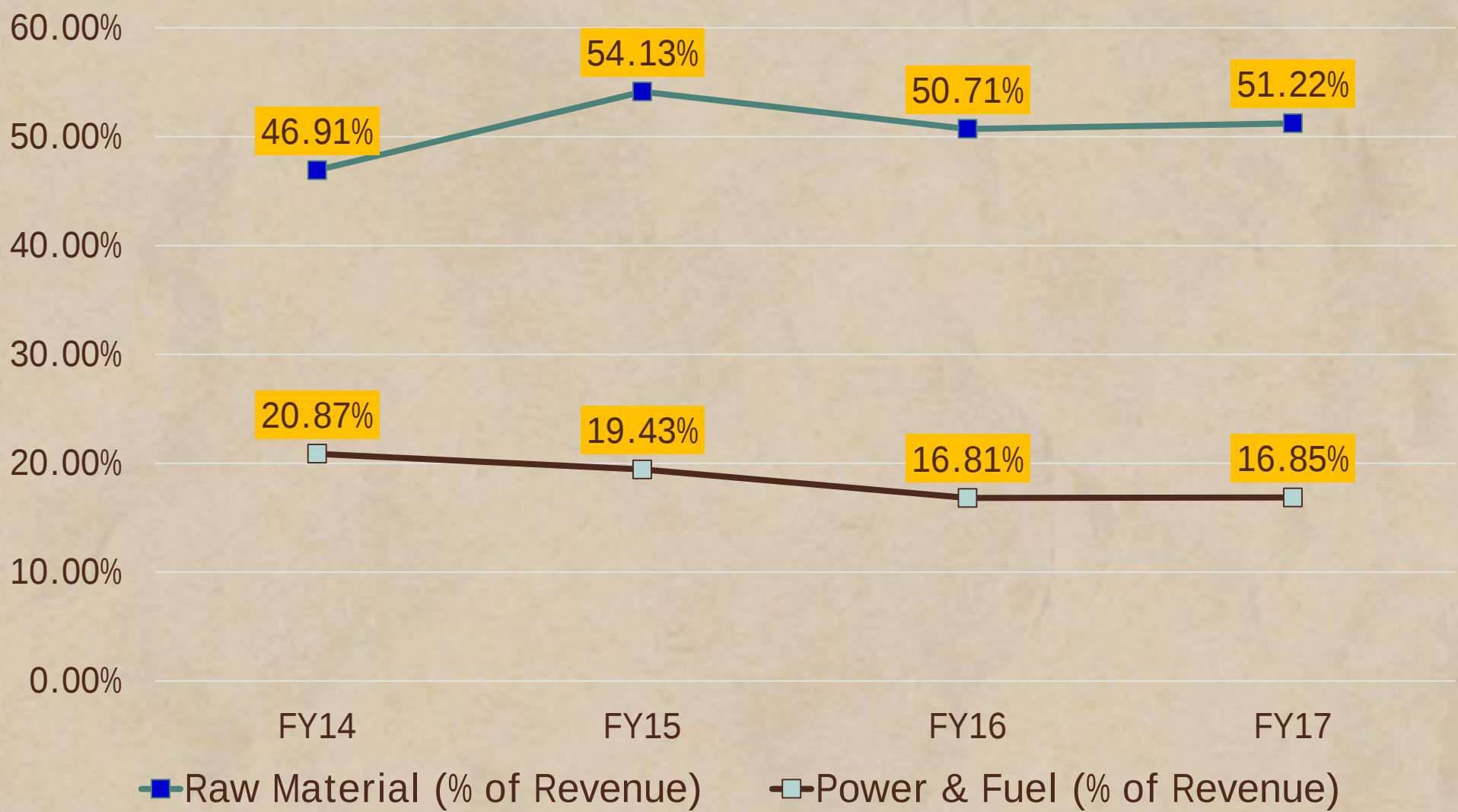
Result Highlights (over last 4 years)



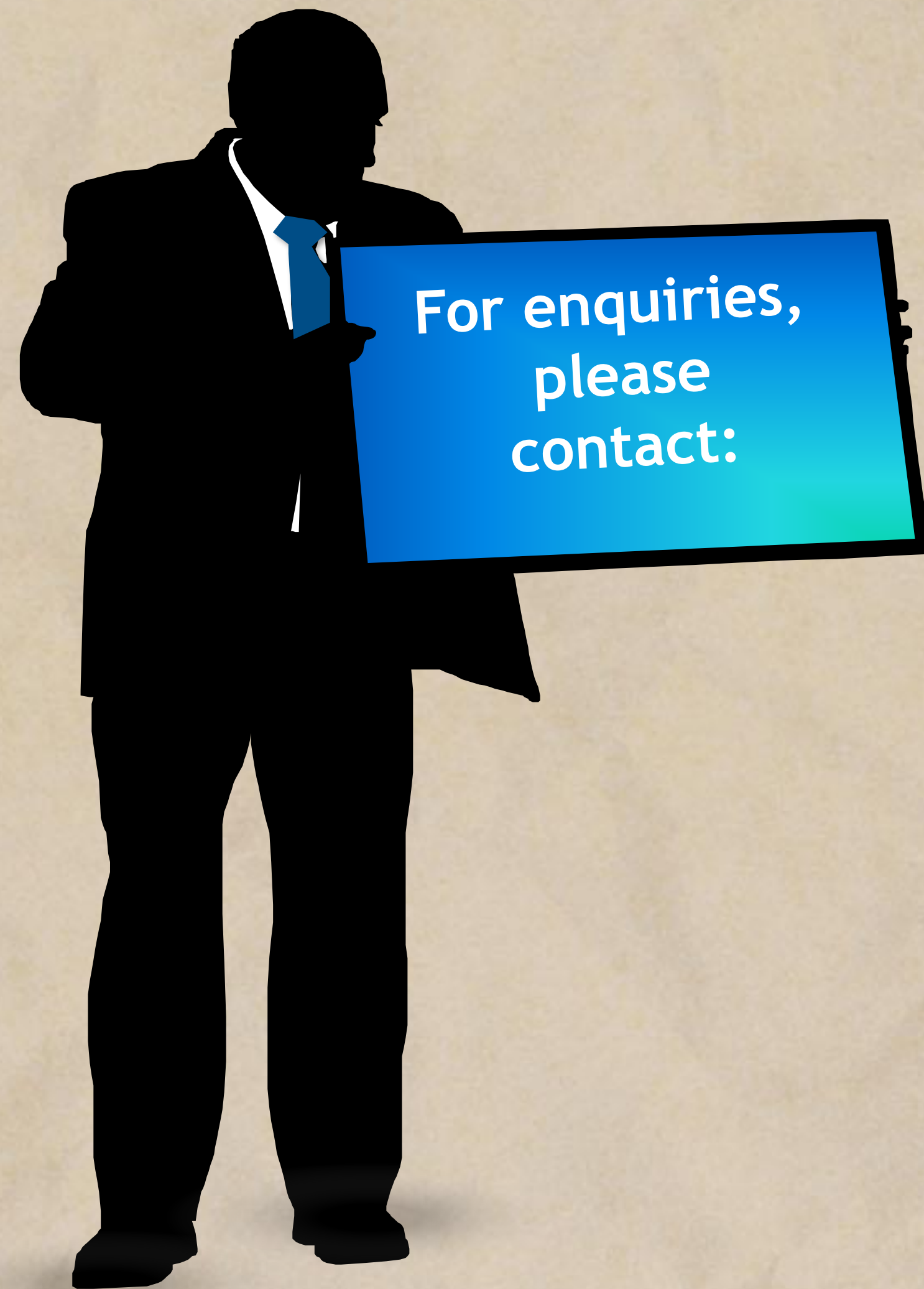
Result Metrics (over last 4 years)



Result Metrics (over last 4 years)



Thank You



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