



RAMA STEEL TUBES LTD.

Manufacturers & Exporters : ERW Steel Tubes (Black & Galvanised)

CIN : L27201DL1974PLC007114 | AN ISO 9001 : 2015 CO.

📍 Regd. Office : B-5, 3rd Floor, Main Road, Ghazipur, New Delhi (India) - 110096

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Date: February 14, 2023

To

The Manager – Listing National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (East), Mumbai – 400 051 Symbol: RAMASTEEL	The Secretary BSE Limited, Corporate Relationship Dept., P. J. Towers, Dalal Street, Mumbai - 400 001. Scrip Code: 539309
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Dear Sir/Madam,

Sub: Press Release

We are enclosing herewith Press Release, pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Rama Steel Tubes Limited

(Arpit Suri)
Company Secretary & Compliance Officer
Email id: investors@ramasteel.com

Encl. As Above

PRESS RELEASE

ANNOUNCEMENT OF RESULTS Q3FY2023

Rama Steel Tubes Limited (RSTL) has found a place in several sectors ranging from Water Distribution, Electricity Distribution & Street Lighting, Telecom Applications and Irrigation Projects etc.

New Delhi, 14th February, 2023- RSTL is one of the most trusted Manufacturers of Steel Tubes and G.I. Pipes, MS Pipes, STP Poles etc. We have Japanese technology to cater to the growing demand in Domestic & Global Market.

RSTL has constantly tried to be the best and our investments in product innovation and R&D have yielded fruitful results. Our skilled technicians and stringent quality checks have produced steel tubes and G.I. Pipes, MS Pipes, STP Poles etc. to meet all the international quality standards. The Government of India has given an "Export House Status" to our company. Recently RSTL Signed 'MOU' with Government of Uttar Pradesh to set up a Steel Processing Unit including MS pipes, STP poles, GI pipes, CR Coils, GP Coils, Colour Coated Coils "(Proposed investment: ₹ 6000 MN)"

Consolidated Financial Highlights Q3FY23

(In INR MN)

Parameters	Q3FY23	Growth % YOY
Total Revenue	3559.45	89.48%
Total Sales Volume (MT)	53216.16	118.34%
EBIDTA	166.72	37.82%
PAT Margin (including OCI)	76.41	27.14%

Business Update

- RSTL has completed a capacity expansion of additional 30,000 MT at Khopoli Plant. Maharashtra. The expansion is almost completed and commercial production is expected to begin in Q4FY23. Rama Steel Tubes Industries Limited (stepdown subsidiary of RSTL) has commenced the setting up of a new facility in Nigeria, South Africa having an installed capacity of 20,000 MT. The total capital outlay for this expansion will be Rs. 200 MN and will be funded through the internal accruals. The new facility is expected to be fully functional in Q4FY23.
- On 14th February, 2022, The Board of directors have approved a scheme of Amalgamation of Lepakshi Tubes Private Ltd, a wholly owned subsidiary of RSTL with the latter company under sections 230-232 of The Companies Act, 2013. This merger has been proposed to bring about operational synergies and cost savings to both the companies. The scheme has already been approved by the shareholders and creditors in their respective meetings held on November 15, 2022.

➤ During the period under review the following transaction were held:

- The Company has allotted 1625000 Warrants convertible into Equity Shares @112.50 on October 12, 2022.
- Company has announced the bonus shares in the ratio of 4:1, which have been approved by the shareholders thorough Posal Ballot on December 23, 2022 and corresponding allotment of the same was successfully done on January 07, 2023.
- The Company has increased its Authorised Share Capital from Rs. 11,50,00,000 /- (Rupees Eleven Crore Fifty Lakhs Only) consisting of 11,50,00,000 /- (Eleven Crore Fifty Lakhs Only) Equity Shares of Re. 1/- (Rupees One) each to Rs. 55,00,00,000/- (Rupees Fifty Five Crore Only) consisting of 55,00,00,000 (Fifty Five Crore only) Equity Shares of Re. 1/- (Rupees One) each w.e.f, December 23, 2022.

Management Comments

Mr. Richi Bansal- Executive Director said that RSTL has delivered steady growth in India volumes despite the volatile operating environment. During Q3FY23 has registered healthy set of numbers in terms of sale, revenue and profitability. The Q3FY23 with the growth in Revenue from operations being 89.48% and growth in sales volume of 118.34 % on Y -0-Y basis. There is growth in demand of our products having the highest level of quality and our ability to cater the needs of all our customers on timely basis.

We are also in process of entering into certain niche segments like supply of steel pipes and tubes to City Gas Distribution and Solar Energy power generation units. We plan to dedicate at-least 25% of our production capacity 300000 MT to cater to the demand of the Government sector in the coming years, which is having an EBITA margin of 9%-10%, thereby significantly improving our overall margins.

From the facility, in the process of being set up, in Nigeria, we have already signed purchase agreement of 15,000 MT p.a. for supply of specialty steel from Huihai Group Ltd, Hong Kong. The potential market size for Specialty Steel in Nigeria is ~50,000 MTPA and we are happy to cater almost 1/3rd of the total market size.

On the expansion front, we are in process of modernization of our plant located at Sahibabad, Uttar Pradesh with a major goal of de-bottlenecking operations; which will result in increasing our yield per tonne of finished products. The 1st phase of this modernization is expected to be completed by Q4 of the Fiscal Year 2023.

Our efforts of backward integration at our plant in Anantpur District, Andhra Pradesh wherein we are in process of Cold rolling and Galvanizing Steel Sheets will lead to an in-house raw material support of 50,000 MT in the upcoming years. With the expansion of Khopoli plant by ~30,000 MT and the setting up of facility in Nigeria by our stepdown subsidiary, we expect our total capacity to increase to 300000 MT by end of FY23. Further

to this, we are in process of adding 10 SKUs to our repertoire on a monthly basis, projecting a total of 1250 SKUs being produced in period of 2 years. This will strengthen our relationships with distributors by offering a complete range of products and make RSTL one of the leading suppliers of Steel Pipes and Tubes in the forthcoming years.

About Rama Steel Tubes Limited

RSTL is a one of the Pioneer and Leading Manufacturer in the Steel Tube and Pipes industry established in 1974. RSTL has a proven track record of operational excellence, cost efficiency, sustainable practices, high quality Manufacturer in Steel Tubes and Pipes Industry. RSTL has 20% exports rate, with a global presence in more than 16 Countries.

It currently has an aggregate capacity of 2.94 Lac MTPA. RSTL has a subsidiary in UAE and a stepdown subsidiary in Nigeria which has strengthened the company's presence in global markets. RSTL has 4 state-of-art manufacturing capabilities located at Sahibabad (U.P.), Khopoli (Maharashtra) and Anantpur (Andhra Pradesh). RSTL has recently acquired 51% stake in Ashoka Infrasteel (Partnership firm) and 50% stake in Hagar Mega Mart Private Limited. RSTL also have 25% stake in Peer Panchal Construction (JV) and has got strong distributor network spread across India.



“We are RSTL, where every effort is towards being better – than the best.”

DISCLAIMER: Certain statements in this document that are not historical facts are forward looking statements. Such forward looking statements are subject to certain risks and uncertainties like government actions, local, political or economic developments, technological risks, and many other factors that could cause actual results to differ materially from those contemplated by the relevant forward-looking statements. RSTL Shall not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward looking statements to reflect subsequent events or circumstances.

For further information on the Company, please visit www.ramasteel.com

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