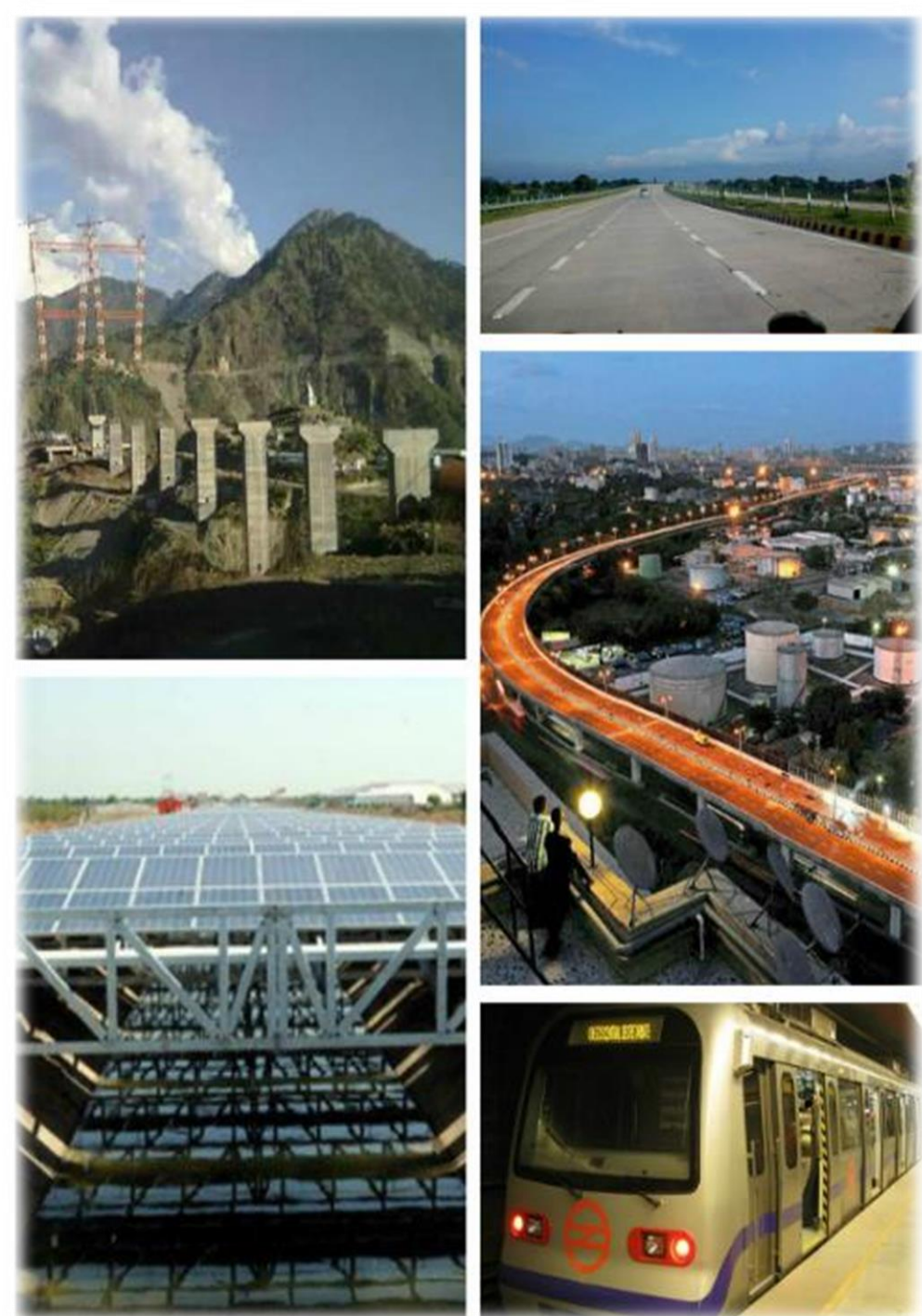




Investor Presentation – June 2019



# Safe Harbour

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# A Specialized Control and Instrumentation Cable Company

Long standing customer relationships of over 20 years

The company will benefit from the modernization and upgradation of infrastructure

Current Capacity stands at approx. 65,000 Kms. p.a.

95% of our orders are based on customer specifications

81% of our cables constitute **Instrumentation & Control Cables** and 19% is **Power Cables**

We have approvals from large public sector as well as private customers



... offering Wide Range of Products to Multiple Industries

Instrumentation Cables

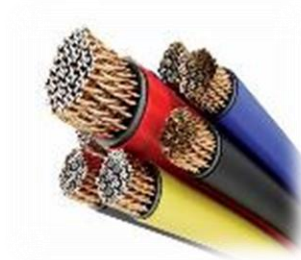
Thermocouple Cables

Control Cables

LV Power Cables

**SPECIALTY CABLES**

Fire Survival Cables  
Silicon Rubber Cables  
Special Cables for Oil & Gas  
Special Cables for Water Desalination  
EPR Cables  
Fieldbus Cables  
Low Temperature Cables  
Solar PV Cables  
Railway Jelly Filled Quad Cables  
Eurobalise Railway Safety Cables  
Low Smoke Halogen Free Cables



# ... with a Diverse Portfolio of Products

## Catering to the New Age Demand

### Thermocouple Cables

**Application:**

- ✓ Used to extend thermocouple circuits from the sensor to reference unit

### Control & Electrical Wiring Cables

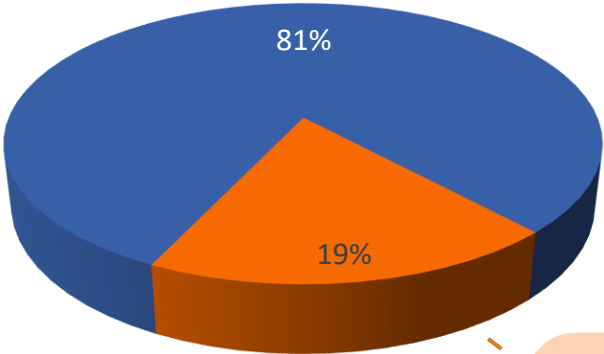
**Application:**

- ✓ **Control Cables:** Used in interconnection of process control, communication and panel control systems
- ✓ **Electrical Wiring Cables:** Used for electric power, lighting & internal wiring

### Instrumentation, Signal and Data Cables

**Application:**

- ✓ Used in data acquisition systems, computer networking, PA systems, digital control / measuring & communication systems
- ✓ Specially designed to transmit signals without any external interference



### Sales Composition

- Instrumentation & Control Cables
- Power Cables

## And Traditional Demand

### LV Power Cables

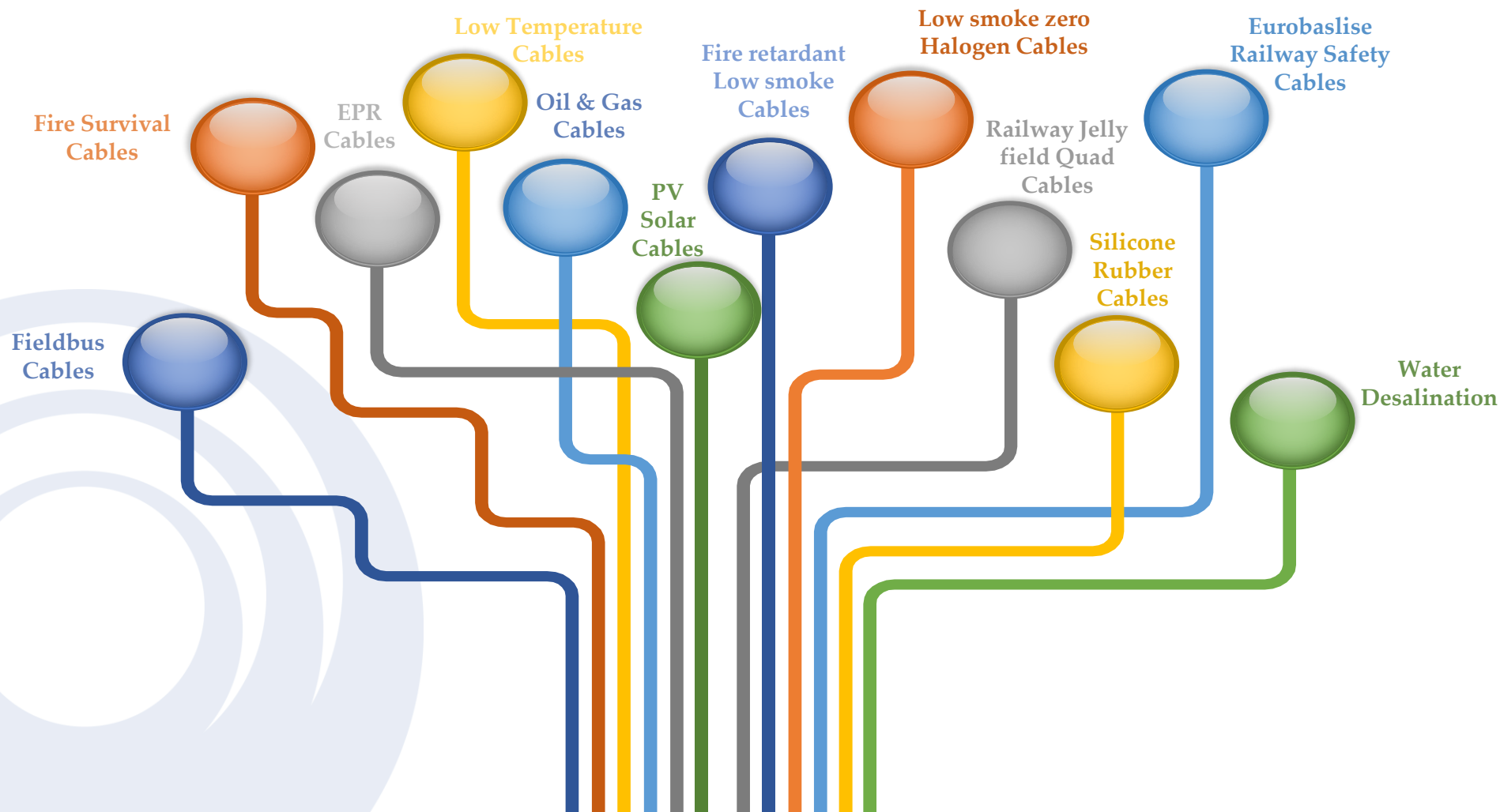
**Application:**

- ✓ Used in connection of power supply to residential, commercial & industrial units



... bringing Constant Innovation

*Special cables*



# ... with Focus on Quality

## Consistent Quality check at every stage

- ✓ Quality Test Labs
- ✓ Customer Interface
- ✓ Product Design
- ✓ Choice of Vendors
- ✓ Manufacturing Process
- ✓ Human Resource Development
- ✓ Customer service



## In-house R&D and Innovations team

R&D team of 5 people

Aim at Innovation & Development of new varieties of cables at regular time intervals

## Garnered a name for

- ✓ Customer service
- ✓ Timely deliveries
- ✓ Efficient order execution

**95% all Products as per Customer Specifications** ensuring

- ✓ High Customer Recall
- ✓ First Choice for Customers
- ✓ Repeat Orders



## ... Experienced Management Team



**Naveen Sawhney**  
Chairman & MD

A Mechanical Engineer and a PG Diploma in Marketing Management. Has an experience of over 45 years in the Cables Industry. His Vast experience, long-term vision, entrepreneurial abilities & strategic planning have led the Company towards growth and diversification.



**Sanjeev Kumar**  
Whole Time Director

Holds Cost and Management Accountant degree from ICWAI. Has 15 years of experience including 5 years in Cables Industry.



**Varun Sawhney**  
VP (Marketing, IT & HR)

MBA from Leeds Metropolitan University, UK & BE (Computers). Played a vital role in implementation of Designing, Costing & ERP systems of the company

**Manoj Gupta**  
CFO

Holds Chartered Accountant degree from ICAI. Has 20 years experience in Finance control, Audit and Taxation.



**Gaurav Sawhney**  
VP (Banking & Finance)

Bachelors of Science in Business Economics from Syracuse University, New York; Executive Post Graduate Diploma in Management (Finance) & Bachelors Of Commerce (Honors). Has been instrumental in handling the Banking & Finance department of the company.





# ... with Strong Core Values

## Honour Commitments

Consistently maintain High Quality

Strive for long-term relations and partnerships with customers, vendors and business associates

Focus on product-development based on ever-changing needs of our customers

Ensure Dignity of Labour

Advancement in Technology

Enhancement and Development of our Human Resource



# ... Long Term Customer Relationship

## Domestic

Over 20 years of Relationship



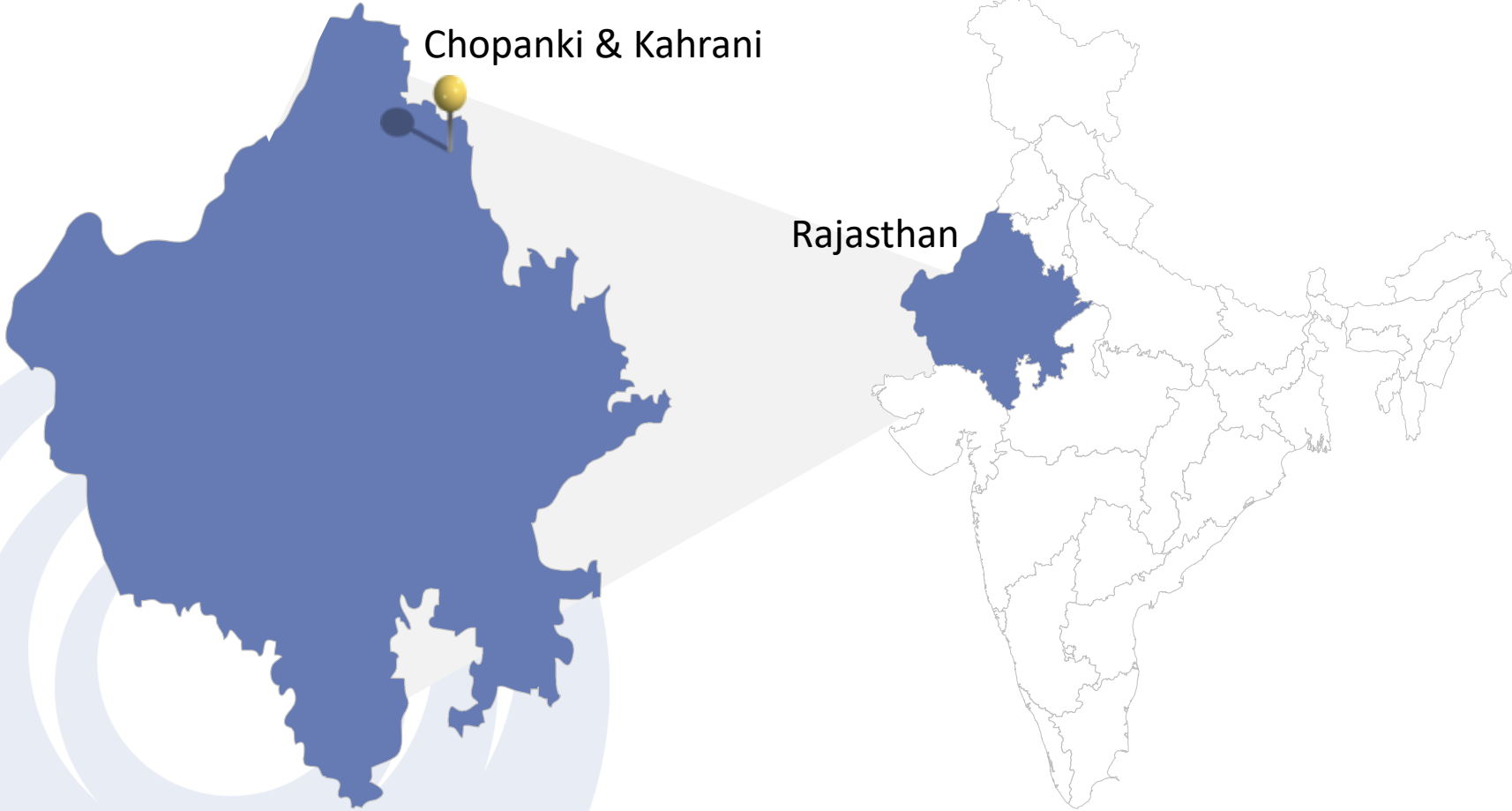
## International



المتميز للتجهيزات الصناعية والفنية ش م م  
EXCEL TECHNICAL & INDUSTRIAL SUPPLIES LLC  
More Products. Thousands of Solutions. One Source.



# ... State of the Art Manufacturing Facilities



### Chopanki Unit

- ❖ Capacity of approx. 30,000 Kms
- ❖ Manufactures LV Power, Instrumentation, Control & Speciality cables

### Kahrani Unit

- ❖ Capacity of approx. 35,000 Kms
- ❖ Manufactures Control, Instrumentation, Fieldbus, PV Solar, EPR Insulated & other Speciality Cables



# ... Certifications & Client Approvals

- ❖ Manufacture cables conforming to International standards such as: **EN, BS, IEC, VDE**
- ❖ Hold BIS certification for all types of cables conforming to **IS:1554(1)/1988 and IS:694-90**
- ❖ Quality Management System is **ISO 9001:2008 Certified**
- ❖ Environment Management System is **ISO 14001:2004 Certified**
- ❖ Health and Safety System is **BS OHSAS 18001:2007 Certified** from **TUV Rheinland**

### Type Tested by



### Major Approvals



# ... Awards & Recognitions

Forbes Best Under a \$ Billion – 2008



International Quality Crown Award – 2011



Ratna Shiromani Award



International Business Times 1000 Fastest Growing Companies – 2012





*We are Future Ready*

# Key beneficiary of Modernisation and Upgradation of India

*Backbone to Key Industries driving India's Future...*

Renewable Power



Freight Corridor



Oil & Gas



FMCG



Smart Cities



Ferrous & non Ferrous Metals



Transmission & Distribution



Metro Rail



Refineries



Chemicals



Cement



LPG Bottling



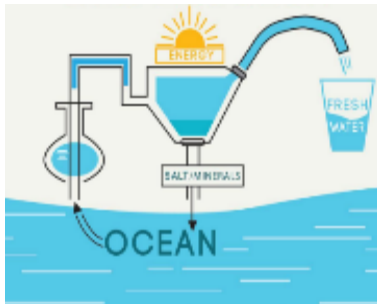
Nuclear & Thermal Power



Airport Development



Water Desalination



Fertilisers



Sewage Treatment



Building Automation



## ... with Multiple Growth Drivers across Sectors

### ❖ Oil & Gas

- Increase in safety measures, Replacement and new demand for speciality cables such as fire retardant and control cables to pick up as safety standards increase
- 2018-19 Budget set aside Rs. 87,000 crores for Exploration and production + Refining and marketing + Petrochemicals

### ❖ Hydrocarbons

- Refining companies to invest Rs. 80,000 crore to upgrade refineries to meet Euro VI norms by 2020

### ❖ Airport Modernization

- Airport Authority of India's (AAI) pipeline consists of Upgradation of multiple airports for capex of Rs 175 bn & Development of 18 greenfield airports for capex of Rs 300bn

### ❖ Railways

- Railways to make investment of over Rs. 8 lakh core over the period of 2015-2020. Rs 10 lakh crore to be spent on high-speed train corridors
- Huge amount to be spent for Network Decongestion & Expansion + National Projects + Safety + High Speed Rail & Elevated corridor + High Speed Rail & Elevated corridor

### ❖ Metro Rail Projects

- Proposal to implement metro rail systems in 40 cities. Total Investment outlay of Rs. 5 lakh crore earmarked by Union Government
- Currently 520 km of Metro Rail lines under construction

### ❖ Smart cities & Infrastructure

- Govt. to develop 100 smart cities with an investment of Rs 480 Bn by 2020
- Over FY18-22 Investments in the Roads sector is expected to be of Rs. 10.4 Tn

### ❖ Power Sector

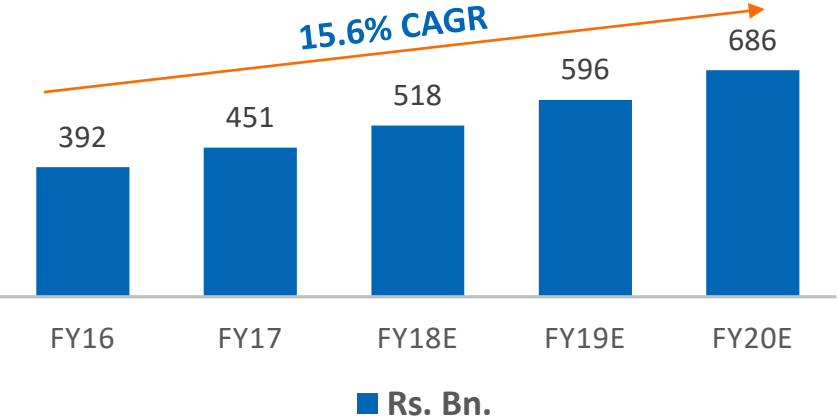
- CEA expects investments in Transmission of nearly Rs. 2.6 trillion by 2022
- Expect 25-26 GW of solar PV capacity additions over FY17-19
- Expect the power cables market to expand 1.5-1.7x in the next 3 years



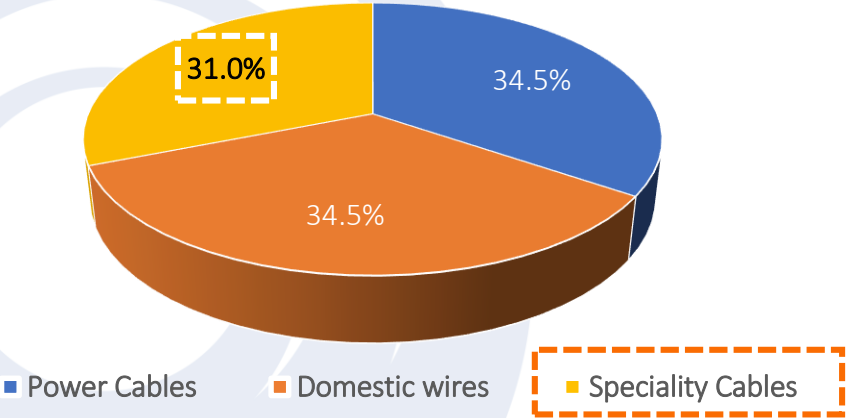


# ... Dominance to grow beyond the Industry

Indian Wire & Cables industry



Speciality Cables at the cusp of growth



Source: Edelweiss Broking Report

Sectors Driving Increase in Demand

- ❖ Hydrocarbon Sector
- ❖ Airport Modernization
- ❖ Freight Corridor Projects
- ❖ Metro Rail Projects
- ❖ Smart Cities
- ❖ Boost to Infrastructure
- ❖ Investments in Power Sector



# Supported by Technologically Advanced Facilities

Chopanki Unit



Kahrani Unit



# With the Capabilities to Double the Production

## Key initiatives leading to strong Industrial growth

- ✓ *Indian Wire & Cables industry expected to grow by 15.6% (Source : Edelweiss Broking Report)*
- ✓ *High thrust of the Current Government on Infrastructure projects increasing scope for Speciality Data Cables*

## With Cords leadership in Cable Space

- ✓ Emphasis on Quality
- ✓ Valued long term Client Relationships
- ✓ Diverse Portfolio of Products
- ✓ Constant Innovation
- ✓ State of the Art Manufacturing Facility
- ✓ Certifications
- ✓ Awards & Recognitions

## Low Investment for growth

- ✓ Current Capacity ~ 65,000 Kms p.a.
- ✓ Capacity Utilization ~ 70%

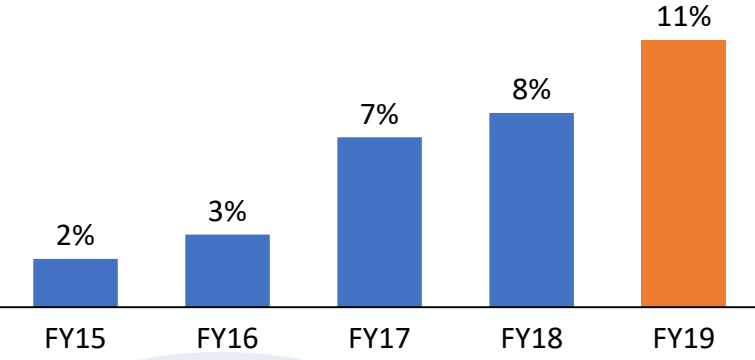
**Creating strong business fundamentals**



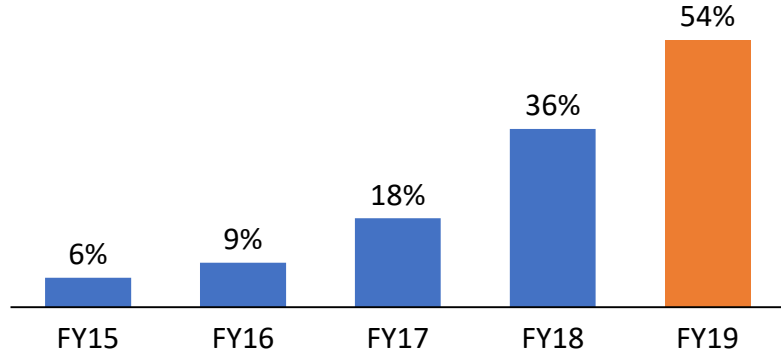
# Increasing Focus on Sunrise Sectors

## Percentage Contribution to Revenues

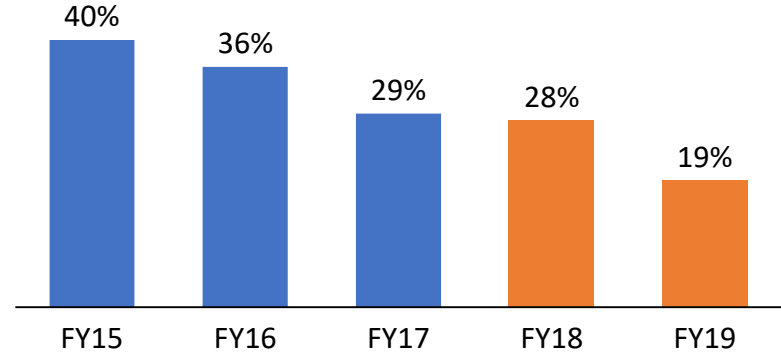
### Metros & Freight Corridors



### Hydrocarbons



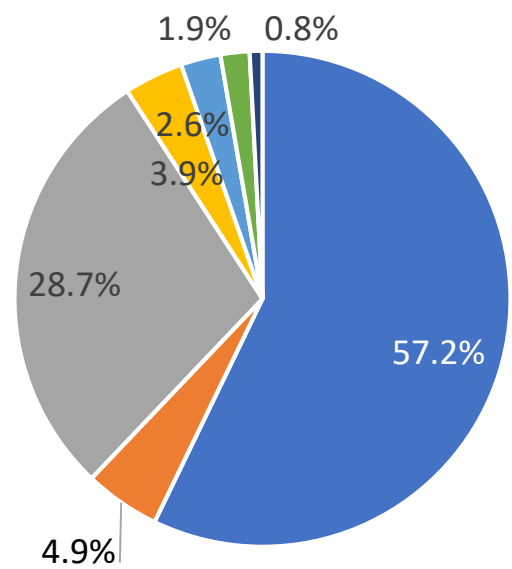
### Power Sector



## Order Book Break-up

Total Order book of ~Rs. 156 Crores as on 31<sup>st</sup> March 2019

Order book to be executed over the next 3-5 months



- Hydrocarbons
- Metro & Freight corridors
- Power
- Cement, Metals
- Fertilizers & Chemicals
- FMCG & Industry Sector
- Water



## Approved vendor for RDSO (Research Design & Standards Organization) under Government of India – Ministry of Railways

- This approval enables the company to offer "**Underground Railway Jelly Filled Quad Cable for Signalling & Telecom Installations**" to the Indian Railways and various projects where this approval is mandated including the Dedicated Freight Corridors, and various Metro-Rail projects
- This approval will allow Company to explore the upcoming vast opportunities provided by various developmental & upgradation projects of Railways and new Metro projects throughout the country

## Approved vendor for Government works in the State of Punjab

- Received approval as a vendor for government works in the State of Punjab for "**Aluminium Conductor LT Cables (ISI Marked)**"
- This approval enables the company to offer CORDS make approved product(s) towards bidding and participating in various Punjab government's projects including those undertaken through/by:-
  - PWD Punjab
  - Greater Mohali Area Development Authority (GMADA),
  - Department of Local Govt
  - Punjab Health System Corporation
  - Punjab Police Housing Corporation Ltd.
  - Punjab Mandi Board
  - Panchayati Raj Department
- Further, this approval shall also enable the company to expand its dealer foot—prints and point of sales in the State of Punjab



# Past Approvals from various International & Domestic clients

## Approval from Abu Dhabi National Oil Company [ADNOC]

- Registered & Prequalified with **ADNOC** and **Arabian Gulf based oil major**
- Approval expected to boost company's Export revenues
- **Approval will allow supplies of following types of Cables:**
  - Instrumentation & Control
  - Fiber Optics
  - LV Power distribution
- Company can now bid in the above product categories for all ongoing and upcoming projects of ADNOC

## Approval from Samsung Engineering Co. Ltd.

- **Registered as a Prequalified supplier** for their **International orders**
- This **Global level Approval is for 5 years** starting from August 1<sup>st</sup>, 2018
- This will **enable the company to bid** for supplying qualified products to Samsung Engineering Co. **range of engineering services' portfolio**
- **Approval will allow supplies of following types of Cables:**
  - Instrument
  - Control
  - Thermocouple
  - Foundation Fieldbus (FF)
  - Fire Survival

## Revalidation of Enlistment from Engineers India Limited (EIL)

- **New validity of this enlistment is up to 31<sup>st</sup> January 2020 and it covers the following items:**
  - Control Cables - PVC
  - Fire and Alarm Communication Cables
  - Control Cables — Fire Survival
  - Thermo Couple Extension Cables
  - Signal Cables
  - Field Bus Signal Cables
  - Signal Cable — Fire Resistant

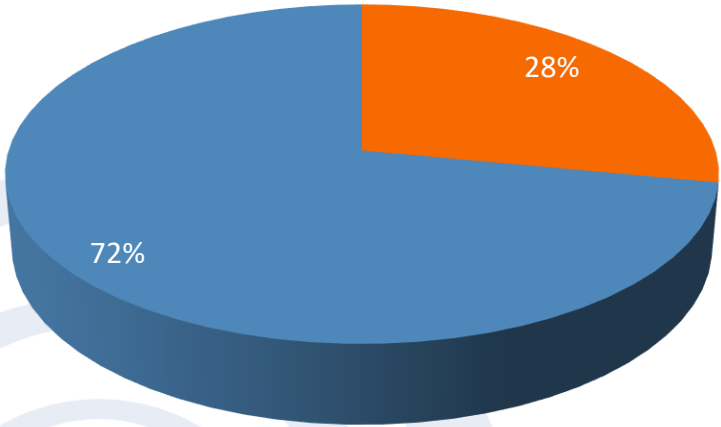




## *Financial Highlights*

# Debt Profile

Total Debt Structure as of FY19

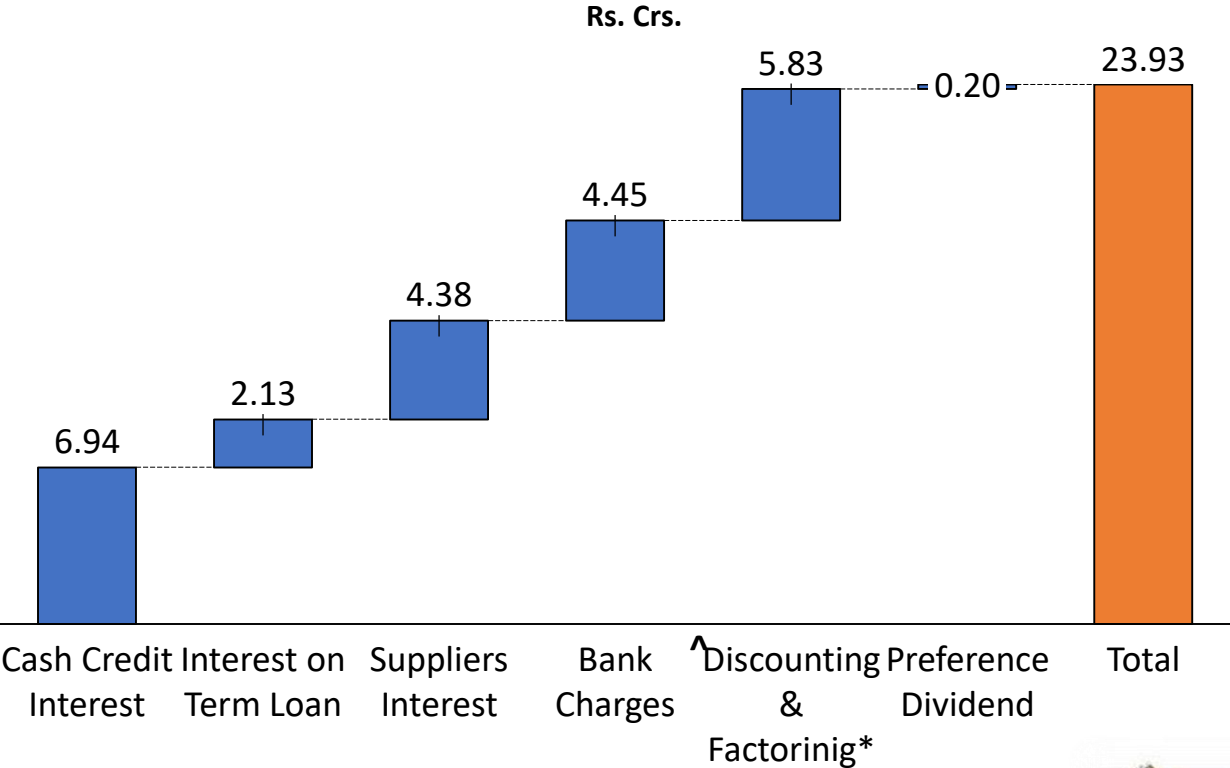


■ Term Loans ■ Working Capital Loans

**Net Debt to Equity = 0.45 x**

**Note: Net Debt includes Short Term Borrowings**

FY19 Finance Cost Break up



**^ Bank Charges** are inclusive of:

- BG/LC Commission
- Non Fund opening/closing Charges
- Processing Fee
- Other bank Charges

**\* Discounting & Factoring**

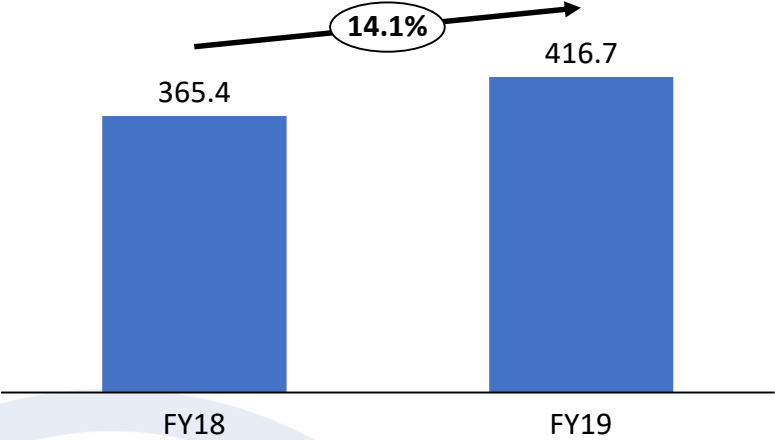
includes both LC backed and non-LC backed bills including both Sales & Purchase side



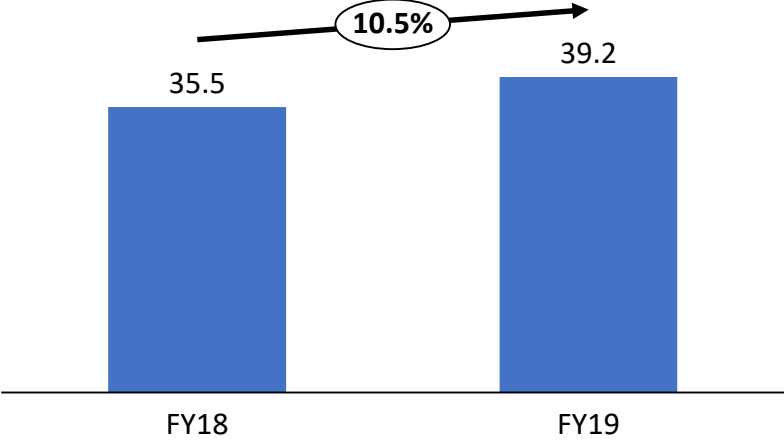


# FY19 Financial Highlights

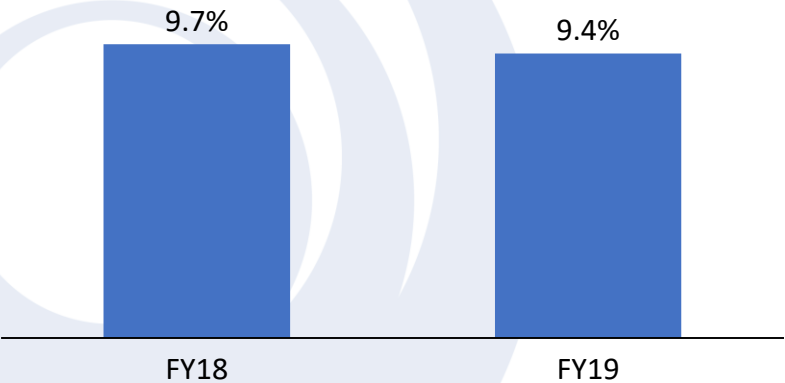
Revenue (Rs. Crs.)



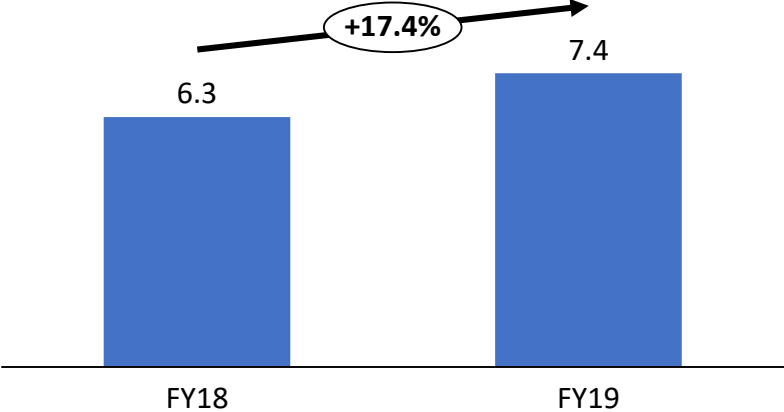
EBITDA (Rs. Crs.)



EBITDA Margin %



PAT (Rs. Crs.)



# Profit & Loss Statement as per Ind AS

| Particulars (Rs. Crs.) | Q4 FY19      | Q4 FY18      | YoY           | Q3 FY19      | QoQ          | FY19         | FY18         | YoY          |
|------------------------|--------------|--------------|---------------|--------------|--------------|--------------|--------------|--------------|
| <b>Revenue</b>         | <b>113.6</b> | <b>109.9</b> | <b>3.3%</b>   | <b>112.3</b> | <b>1.1%</b>  | <b>416.7</b> | <b>365.4</b> | <b>14.1%</b> |
| Direct Expenses        | 90.0         | 88.4         |               | 91.8         |              | 334.5        | 292.1        |              |
| Employee Expenses      | 5.2          | 4.1          |               | 5.0          |              | 18.6         | 15.8         |              |
| Other Expenses         | 7.6          | 6.5          |               | 5.5          |              | 24.4         | 22.1         |              |
| <b>EBITDA</b>          | <b>10.7</b>  | <b>10.9</b>  | <b>-1.7%</b>  | <b>10.1</b>  | <b>6.6%</b>  | <b>39.2</b>  | <b>35.5</b>  | <b>10.5%</b> |
| <b>EBITDA Margin</b>   | <b>9.5%</b>  | <b>9.9%</b>  |               | <b>9.0%</b>  |              | <b>9.4%</b>  | <b>9.7%</b>  |              |
| Other Income           | 0.5          | 0.2          |               | 0.4          |              | 1.8          | 1.8          |              |
| Depreciation           | 1.5          | 1.1          |               | 1.5          |              | 5.7          | 5.1          |              |
| <b>EBIT</b>            | <b>9.8</b>   | <b>10.1</b>  | <b>-3.2%</b>  | <b>9.0</b>   | <b>8.0%</b>  | <b>35.3</b>  | <b>32.2</b>  | <b>9.7%</b>  |
| <b>EBIT Margin</b>     | <b>8.6%</b>  | <b>9.2%</b>  |               | <b>8.1%</b>  |              | <b>8.5%</b>  | <b>8.8%</b>  |              |
| Finance costs          | 6.2          | 6.5          |               | 6.1          |              | 23.9         | 22.9         |              |
| <b>PBT</b>             | <b>3.6</b>   | <b>3.6</b>   | <b>0.9%</b>   | <b>3.0</b>   | <b>22.1%</b> | <b>11.3</b>  | <b>9.2</b>   | <b>23.1%</b> |
| Tax                    | 1.3          | 0.9          |               | 1.0          |              | 4.0          | 3.0          |              |
| <b>PAT</b>             | <b>2.3</b>   | <b>2.7</b>   | <b>-15.0%</b> | <b>1.9</b>   | <b>17.5%</b> | <b>7.4</b>   | <b>6.3</b>   | <b>17.4%</b> |
| <b>PAT Margin</b>      | <b>2.0%</b>  | <b>2.4%</b>  |               | <b>1.7%</b>  |              | <b>1.8%</b>  | <b>1.7%</b>  |              |



# Balance Sheet as per Ind AS

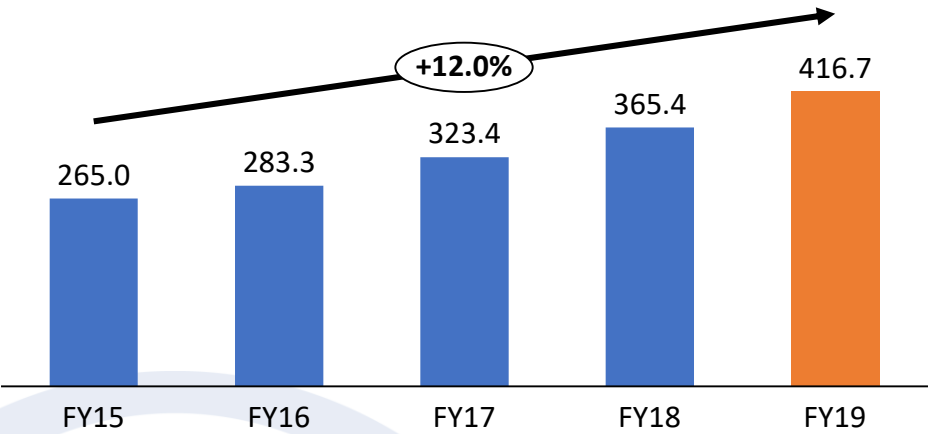
| Particulars (Rs. Crs.)        | Mar 19       | Mar 18       |
|-------------------------------|--------------|--------------|
| <b>ASSETS</b>                 |              |              |
| <b>Non-current assets</b>     | <b>97.9</b>  | <b>93.8</b>  |
| Property, plant and equipment | 96.4         | 92.3         |
| Security Deposit              | 1.5          | 1.5          |
| <b>Current assets</b>         | <b>211.3</b> | <b>192.2</b> |
| Inventories                   | 59.8         | 53.6         |
| Investments                   | 0.5          | 0.5          |
| Trade receivables             | 113.5        | 101.7        |
| Cash and cash equivalents     | 0.3          | 0.4          |
| Bank Balances                 | 20.0         | 25.5         |
| Other current assets          | 17.1         | 10.5         |
| <b>TOTAL ASSETS</b>           | <b>309.2</b> | <b>286.0</b> |

| Particulars (Rs. Crs.)                | Mar 19       | Mar 18       |
|---------------------------------------|--------------|--------------|
| <b>EQUITY &amp; LIABILITIES</b>       |              |              |
| <b>Equity</b>                         | <b>134.6</b> | <b>127.3</b> |
| Equity Share capital                  | 12.9         | 12.9         |
| Other equity                          | 121.7        | 114.3        |
| <b>Non-current liabilities</b>        | <b>26.8</b>  | <b>24.1</b>  |
| Borrowings                            | 17.3         | 15.0         |
| Provisions                            | 1.1          | 1.1          |
| Deferred tax liabilities (net)        | 8.3          | 8.0          |
| Other non-current liabilities         | 0.1          | 0.1          |
| <b>Current liabilities</b>            | <b>147.8</b> | <b>134.7</b> |
| Borrowings                            | 64.1         | 60.7         |
| Trade payables                        | 71.6         | 65.8         |
| Other financial liabilities           | 8.1          | 4.9          |
| Other current liabilities             | 3.1          | 1.6          |
| Provisions                            | 0.8          | 1.7          |
| <b>TOTAL EQUITY &amp; LIABILITIES</b> | <b>309.2</b> | <b>286.0</b> |

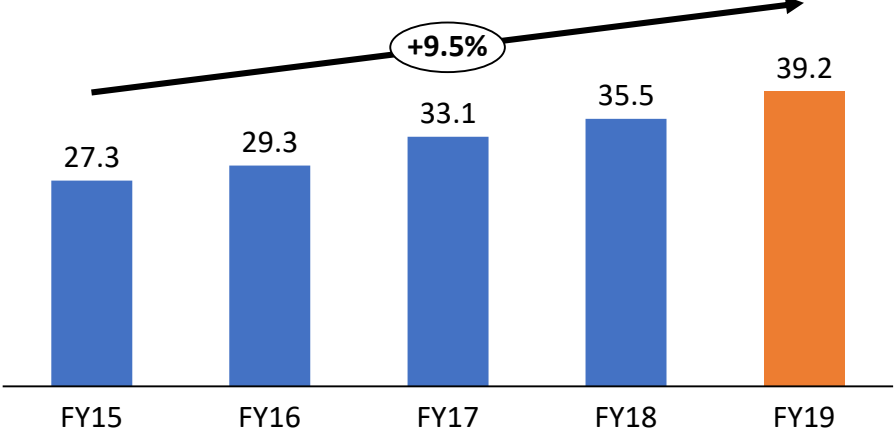


# Consistent Performance over the years

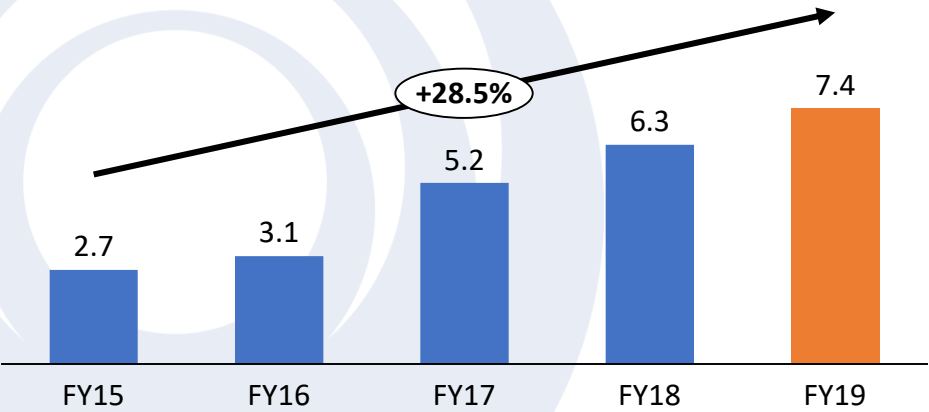
Revenue (Rs. Crs)



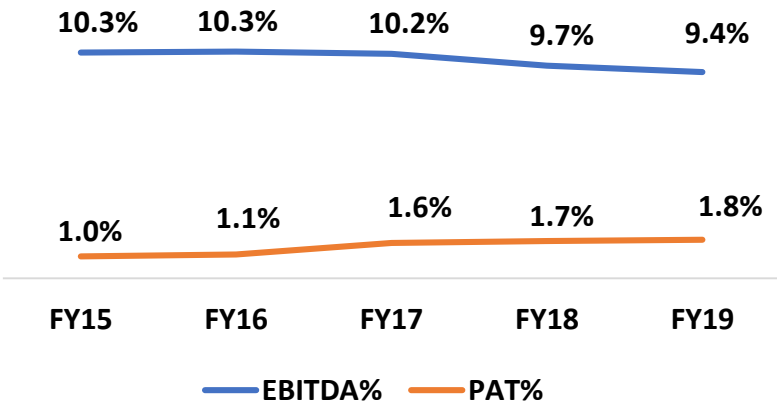
EBITDA (Rs. Crs)



PAT (Rs. Crs)



Margins %





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**Strategic Growth Advisors Pvt. Limited**

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