



Investor Update

For quarter and nine months ended December, 2007

Cords Cable Industries Ltd



March 8, 2008

Wired for Growth - Cords Cable Industries Ltd.

Established in 1991, New Delhi based Cords Cable Industries is engaged in the manufacturing and marketing of cables. The ISO 9001:2000 accredited company manufactures cables and the product range includes low tension (LT) control cables, LT power cables, instrumentation cables, coaxial cables, thermocouple extension cables and speciality cables. The company has a manufacturing unit at Chopanki, Rajasthan. In January, 2008 it has completed one phase of expansion and is in the process of expanding its existing capacity and widening its range to add Rubber cables and HT cables, financed through recently concluded IPO . The company caters to industries like power, steel, cement, fertilizers, chemicals, and petroleum among several others. The company's main focus area is on Specialised and Value added business. Around 80% of company's revenue comes from these specialised cables.

(Figures for FY'07)	(Rs mn)
Net Sales	915.9
EBIDTA	134.8
PAT	70.1

Supported by Strong Professional Management.....

- Mr. Naveen Sawhney**
Managing Director
 - Mechanical Engineer and PG Diploma in Marketing Management, has over 34 years of experience in the cable industry. Prior to Cords Cable, he served marketing wing of a cable company for almost 10 years.
 - Heading the Marketing Division, Strategic Planning & Sourcing for the company.
- Mr. D.K. Prashar**
Joint Managing Director
 - Mechanical Engineer, has over 35 years of experience in the cable industry. Started career with a cable company, served in Marketing wing for almost 10 years prior to joining Cords.
 - Heading the operations at the manufacturing facility & HR Activities.
- Mr. Rakesh Malhotra**
Joint Managing Director
 - Mechanical Engineer and PG Diploma in Marketing Management, has over 30 years of experience in the cable industry. Prior to Cords Cable, he served in various departments of a cable company for 8 years.
 - Heads the Finance, Accounts, Corporate Affairs, Project Management and R&D activities.

.....and Independent Directors

- **Mr. Amit Kumar Gangopadhyay**, retired as the Chairman & Managing Director of National Hydroelectric Power Corporation Ltd and has a total experience of more than 40 years of which he has spent around 23 years in Hydro Electric projects in different capacities.
- **Mr. N.K. Balasubramanian**, he is an ex-Director of NTPC, holds a Bachelors degree in Mechanical Engineering. He has a total experience of more than 45 years. He worked as a Chairman & Managing Director at ACC- Babcock Ltd., and as President with RPG Power Corporation Ltd.
- **Mr. Om Prakash Bhandari**, holds a Master's degree in Ceramic Engineering, from University of Washington, USA and is a Science graduate in Ceramics Engineering with honours from Banaras Hindu University, Varanasi. He has more than three decade experience in Ceramic Industry. He is also a member of various associations such as Indo-German chamber of commerce, Indian ceramic society, American Ceramic Society U.S.A., FICCI New Delhi, ASSOCHAM New Delhi and a few other associations.

Brief History...



2008	Listed on BSE & NSE and raised Rs 42 crore by diluting 27% stake. Successfully completed one phase of expansion in Jan'08 with an investment of over Rs 13 crores.
2007	Gross Turnover crossed Rs 1bn
2006	Converted into a Public Limited Company
2006	Completed the first phase of expansion where by the total covered area of the factory was increased from 45,000 sq. ft. to 92,000 sq. ft.
2004	Enrolled as a member of PHD Chamber of Commerce & Industry
2004	Obtained ISO 9001:2000 certificate from Quality Certification Bureau Inc. for manufacture and supply of power control, instrumentation, signaling, thermocouple, communication and panel wires and cables
2003	Set up a state of art manufacturing facility at Chopanki, Distt. Alwar, Rajasthan, having covered area of over 45,000 sq. ft., giving a two fold jump to the revenue
1998	Obtained ISO 9002:1994 certificate from Underwriters Laboratories Inc.
1997	Company became Deemed Public Company
1996	Manufacturing unit shifted to Mohan Co-operative Industrial Estate resulting in an increase in capacity and customer profile
1992	Took over the business of the partnership firm "M/s Cords Cable Industries" as going concern
1991	Commenced manufacturing of Control Cables and Customized Instrumentation Cables
1991	Incorporated as a Private Limited Company

Pre-approved by Top Consultants & Corporates

Corporates

The company is pre-qualified and have approvals with most of the large corporates and well known Public Sector Undertakings which include names such as BHEL, NTPC, Hindalco, ACC, HPCL, GAIL, TATA STEEL, Siemens, Honeywell, L&T, MRPL and others.

Consultants

Approved with almost all the top consultants such as Kvaerner Powergas India Ltd., Det Norske Veritas As, Toyo Engineering India Ltd., Jacob H&G Ltd., Engineers India Ltd., Mecon Ltd., Rites Ltd., M.N. Dastur & Co. Ltd., Tata Consulting Engineers etc. Also approved by major consultants in the Middle East Countries viz. PDO (Oman), SESCO (Bahrain), etc.

Certificates

The company is an ISO 9001:2000 accredited company and hold BIS certification for all types of cables conforming to IS:1554(1)/1988 and IS:694-90 and quality standards have been duly appraised, vetted and approved by various independent agencies of repute.

Strong & Diversified Clientele



Power



Cement



India



Refineries/ Petroleum



Steel



Fertilizers/ Chemicals



IFFCO

KRIBHCO



Others

HINDALCO



SIEMENS

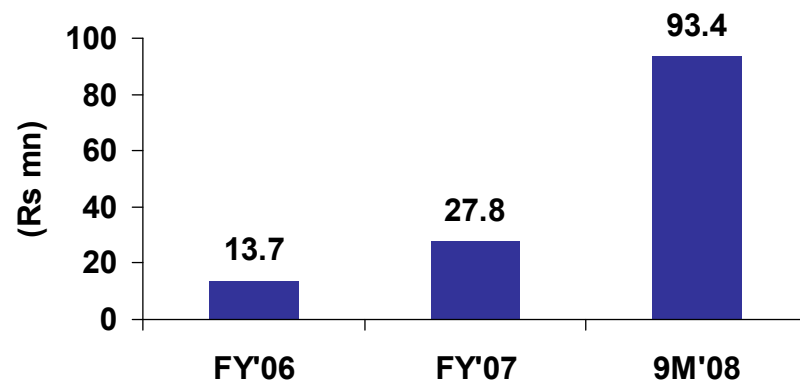


Honeywell

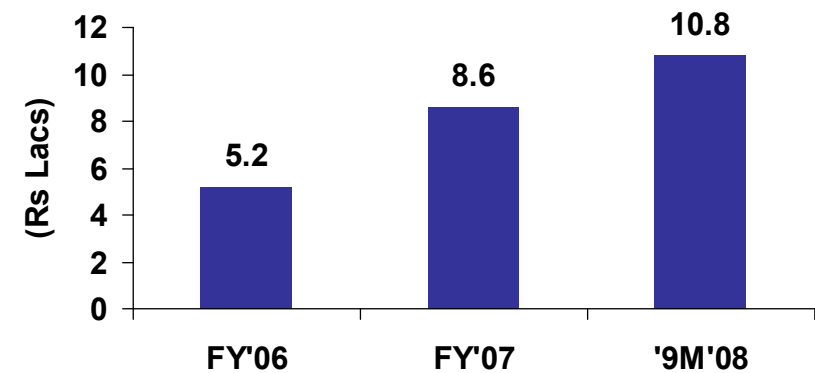
Concentration on High Value Orders



**Increase in Orders Value Executed
for Largest Customer.....**

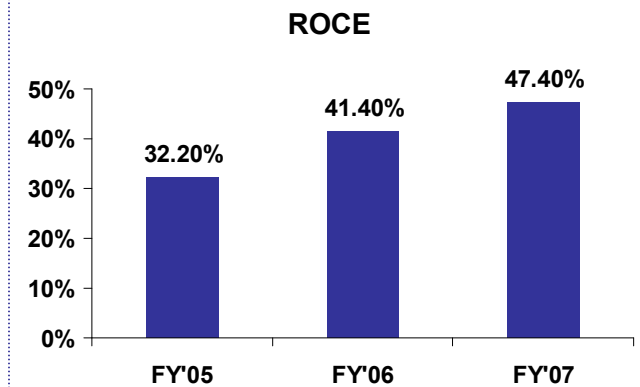
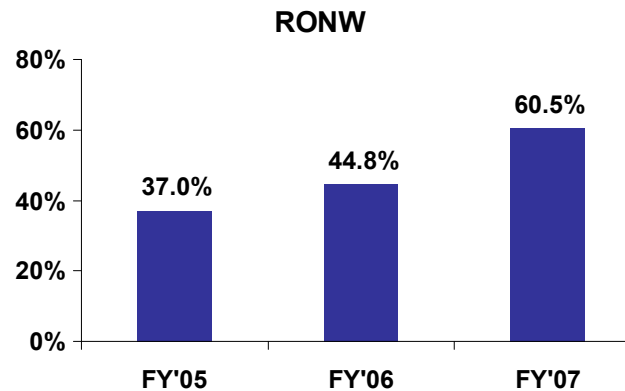
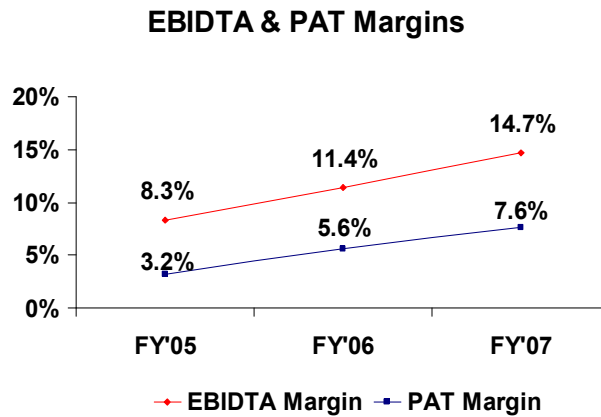
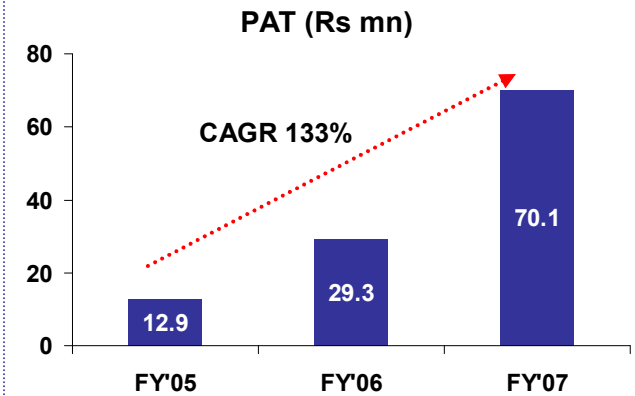
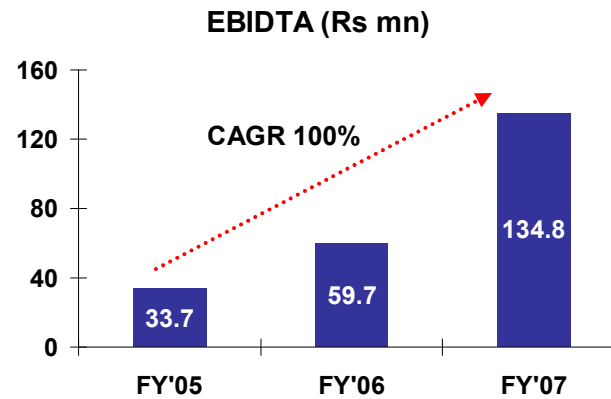
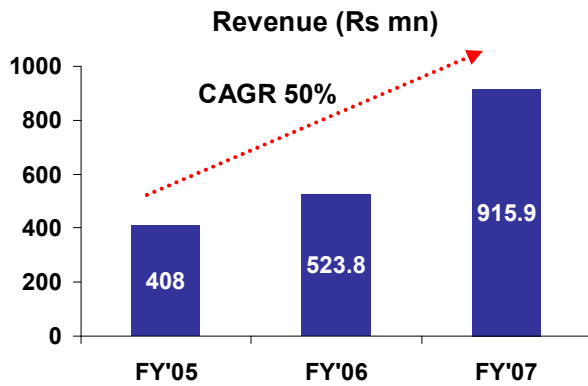


**.....leads to increase in Average
Invoice Value**



- ✓ The company is focusing more on high value and big projects which leads to increase in average invoice value
- ✓ With economies of scale and better realizations margins will further improve

Strong Financials

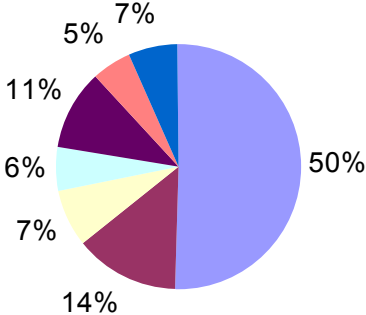


9M'08 Highlights



Revenue Mix

'9M'08



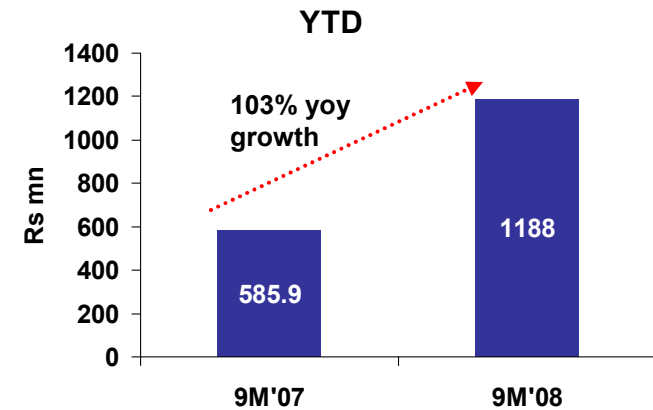
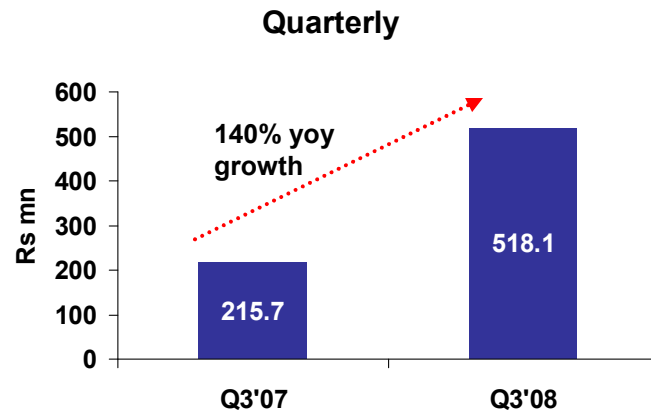
- Power
- Refineries
- Miscellaneous
- Cement
- Chemicals & Fertilizers
- Steel
- Export

Sharp increase in Revenue and Profitability.....

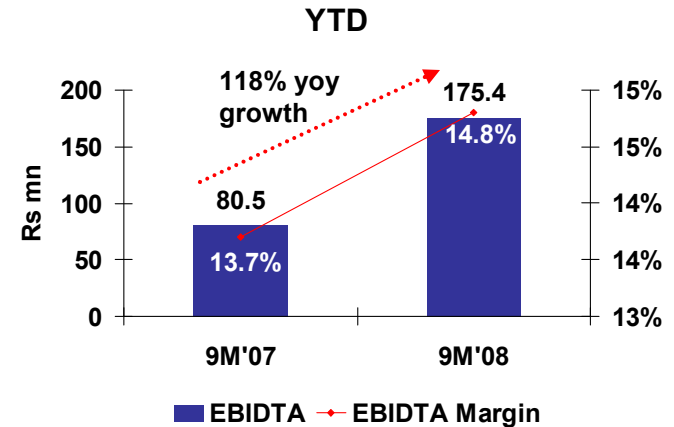
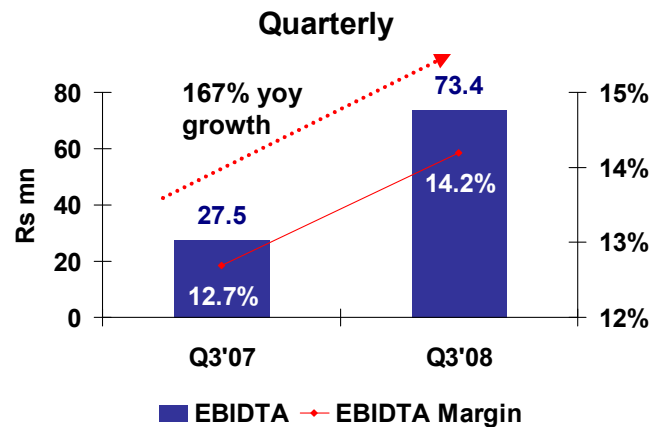


- ✓ Significant improvement in revenues due to capacity expansion and strong demand across all sectors
- ✓ Optimization of product mix and more focus on export markets which has higher margins leads to increase in margins

Revenues



EBIDTA & EBIDTA Margin

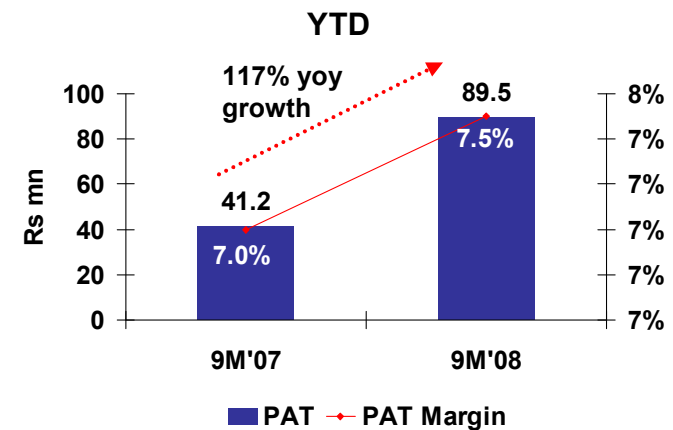
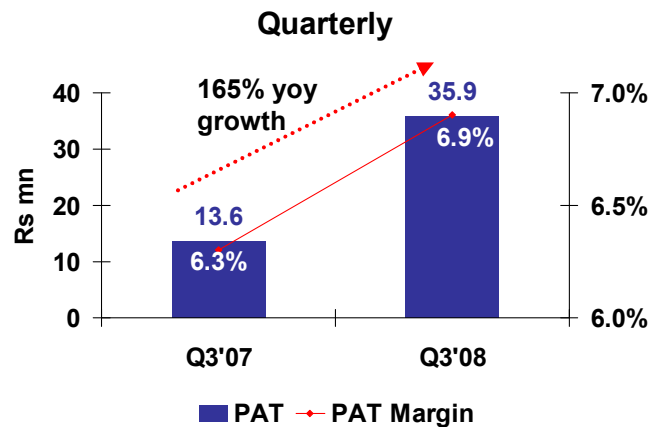


....leads to better PAT and higher EPS

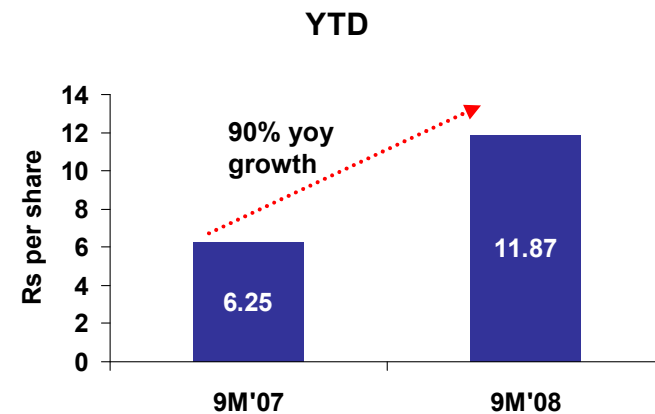
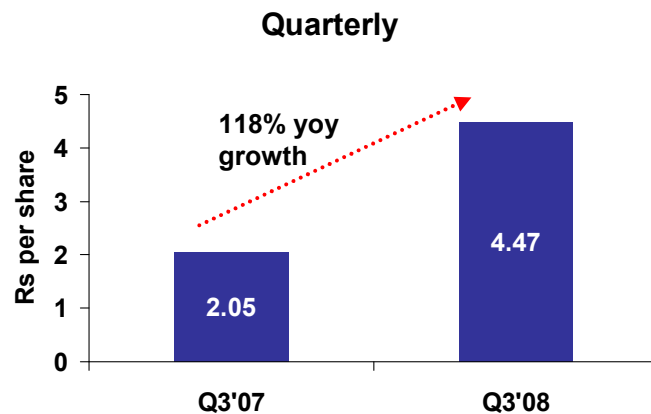


✓ PAT margins improved during the quarter due to economies of scale with improved realization

PAT & PAT Margin



EPS



Expanding Reach

- ✓ The company has added 2 new clients during Q3'08 and 9 new clients during 9M'08 to its existing client base
- ✓ Planning to enter into new South East Asian countries

New Approvals

- ✓ Got approval from BPCL- Mumbai, Avant – Garde Engineering and Consultants & BHEL – PEM Noida during the quarter

Others

- ✓ Diversified order book worth Rs 1bn
- ✓ 3 stage Quality Control placed at Purchases, In Process and at Final Testing to control the cost which further leads to increase margins
- ✓ To avoid any price increase in raw materials like copper, the company does forward booking for the same so the margins should not be affected
- ✓ Also in export sales the company does forward booking for currency to avoid any price volatility risk
- ✓ Expanded capacities in LT (Low Tension) power cables which will further boost its revenues and with the economies of scale the company is looking for higher margins in the future
- ✓ Has a separate R&D division which continuously works on quality improvement
- ✓ The company has inducted more professionals and has also expanded its marketing team

Financial Statements – Income Statement



Amount in Rs mn

Particulars	Q3'08	Q3'07	9M'08	9M'07	FY'07
Net Income from Operations	518.1	215.7	1,188.0	585.9	915.9
Total Expenditure	444.7	188.2	1012.6	505.4	781.1
(a) Consumption of Raw Material	399.7	170.6	925.7	486.8	746.0
(b) Power & Fuel	4.3	1.9	11.8	6.8	10.6
(c) Staff Cost	13.357	6.5	40.5	19.3	28.3
(d) Other Expenses	31.5	14.6	71.0	40.4	57.0
(e) Increase(-)/ Decrease in Stock in trade	(4.14)	(5.30)	(36.52)	(47.97)	(60.78)
OPBITDA	73.4	27.5	175.4	80.5	134.8
Depreciation & Amortisation	2.2	1.7	5.6	2.6	4.4
OPBIT	71.2	25.8	169.8	77.9	130.4
Finance Charges	18.5	7.2	37.4	18.0	27.9
OPBT	52.7	18.6	132.4	59.9	102.5
Non Operating Income/ Other Income	1.2	1.5	3.4	2.5	4.0
PBT	53.9	20.1	135.8	62.4	106.5
Tax	16.3	5.4	41.5	19.1	33
Fringe benefit tax	0.2	0.1	0.6	0.4	0.5
Provision for deferred tax	1.5	1.0	4.2	1.7	2.9
PAT	35.9	13.6	89.5	41.2	70.1
EPS (Rs.)	4.47	2.05	11.87	6.25	10.62

Key Ratios

	Q3'08	Q3'07	9M'08	9M'07	FY'07
EBIDTA Margin	14.2%	12.7%	14.8%	13.7%	14.7%
PAT Margin	6.9%	6.3%	7.5%	7.0%	7.6%
Total Expenditure/Net Income from Operations	85.8%	87.3%	85.2%	86.3%	85.3%
Raw material/Net Income from Operations	76.3%	76.6%	74.8%	74.9%	74.8%

Expansion on Target

- ✓ **Setting up a new manufacturing unit at Rajasthan and 20 acres of land has been procured for the same from RIICO**
- ✓ **Award of Civil Construction, ordering for Plant & Machinery is in the pipeline and company is expecting completion of this new unit by Mar'09**
- ✓ **Plans to enter in to new products like Rubber and HT (High Tension) Power Cables from new manufacturing unit**
- ✓ **Currently Exporting to SAARC and Middle East countries and plans to export to Europe, Africa and other South East Asian Countries by FY 10**

Others

- ✓ **Continuous focus on adding new customers and new countries**
- ✓ **Also looking to add new business segment to further de-risk its business model**
- ✓ **Plans to enter into new sectors like Aviation, Wind Energy etc. in near future**

Disclaimer



Forward Looking Statement

Certain statements in this document with words or phrases such as “will”, “should”, etc., and similar expressions or variation of these expressions or those concerning our future prospects are forward looking statements. Actual results may differ materially from those suggested by the forward looking statements due to a number of risks or uncertainties associated with the expectations. These risks and uncertainties include, but are not limited to, our ability to successfully implement our strategy and changes in government policies. The company may, from time to time, make additional written and oral forward looking statements, including statements contained in the company’s filings with the stock exchanges and our reports to shareholders. The company does not undertake to update any forward-looking statements that may be made from time to time by or on behalf of the company.

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