

COVERING LETTER

Scrip Code:- 539226

Date:-05.12. 2017

To,
Department of Corporate Services;
Listing Department,
Bombay Stock Exchange Limited,
PhirozeJeejeebhoy Tower, Dalal Street,
Mumbai- 400 001.

Subject:- Introduction Letter


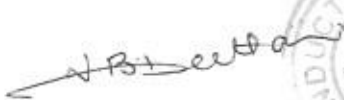
Respected Sir/Madam,

We hereby submit introduction Letter of our company.

So kindly take on your record and acknowledge the same.

Thank You

For, **M. D. Inducto Cast Limited**



Vimal Dattani
Company Secretary & Compliance Officer
Membership. No. A37591

Introduction:

M. D. Inducto Cast was incorporated in the year 2010, as a major steel player in Gujarat to manufacture MS Billets, with an annual installed capacity of 1.2lac MT. The company's commitment to quality and customer service helped it in establishing a name for itself in the rapidly growing steel market. Having achieved a strong foothold in the market, the company ventured into forward integration and set up a state of the art fully automatic rolling mill to manufacture TMT Bars in the year 2014. The TMT Bars were launched under the company's flagship brand "RUDRA." M. D. Inducto Cast has the privilege of being the 100th company to be listed on BSE SME platform, on 16th July, 2015.

Steel Sector – At a Glance:

The world economy has faced one of its most difficult times in recent past, which saw not only individuals and company's, but entire country filing for insolvency. The global turmoil also greatly affected the steel sector, forcing many companies across the world to either cut down production or shut operations permanently. During such horrid times also, our company has not only managed to hold fort but has out-performed many of its peers. To wither the storm of global recession and rapid fall in price of steel, the management of the company took a conscious decision and changed the focus of the company from expansion and growth, to sustenance and consolidation. The company built on its capabilities by being able to extract maximum productivity from all factors of production, optimizing production capacity to achieve economies of scale and judicious spending on marketing and promotions, which enabled it to strengthen its regional network in Gujarat.

Growth Strategy:

The management of the company has always been alert to grow and expand our operations both vertically and horizontally. A change in the economic scenario around the world, saw the company exploring new markets globally, by selling its billets and TMT Bars. Owing the rapid prominence being achieved by Indian Steel players the company expects a steep increase in its top and bottom line numbers for the current fiscal. The road ahead looks promising wherein the management plans to double its turnover in the next 3 years.

CSR:

In line with its CSR of sustainable development of all stakeholders of the society, and the company's goal of becoming self reliant as far as its energy requirements are concerned, we resorted to backward integration and set up 2 Wind Mills. In order to cover its energy requirements, we plan to install one wind mill every year. The company intends to increase its usage of renewable sources of energy and is thus exploring the option of setting up a solar power plant for captive consumption. By doing this we aim to reduce our energy cost by 50% in next 5 years. Power constitutes a major portion in the cost of production of any steel

company and such backward integration will enable the company to greatly reduce its cost burden in the long run and will add to the profitability.

Marketing:

The company has built a strong retail network comprising more than 700 dealers across Gujarat and its neighboring states. A strong distribution network, backed by a dedicated marketing team which follows the management's philosophy of "providing service first" to the customer, has enabled the company to command a premium in the market. The company has been aggressively marketing at grass root level by conducting mason meets, contractor interactions in rural areas. Target based incentives are also given to dealers for sale promotion. The Company has a separate office for marketing team based in Ahmedabad.

Future Prospects:

The economy is on the verge of experiencing another boom in the realty and infra sectors, with boosts being provided by the government by announcing major infra projects like Dholera SIR, Ahmedabad-Mumbai Bullet Train, Gandhinagar-Dholera Metro, Multi-Dam projects in Saurashtra due to come up in Gujarat in the next 5 years. The management plans to expand its operations and not only be recognized as a major steel player but as a big infra product giant.

The company plans to build up on the brand value of "RUDRA" created in TMT bars segment, and expand its product offerings in the market. Currently the company along with billets and TMT Bars, has over the years successfully managed to add binding wires, steel pipes and water proofing chemicals to its product range. The response to the new products added to the portfolio has been phenomenal. It not only adds to the brand value of the company, it also gives its dealers more opportunities to grow. We intend to become a one stop solution of all infra related product needs of a customer. MD Inducto Cast Ltd. shall soon be renamed as RUDRA GLOBAL INFRA PRODUCTS LTD.

Owing to the dominant position the company enjoys in the steel segment the company now plans to enjoy the same success across various categories in the infra segment. We plan to capitalize on our well established and geographically penetrated distribution channel and intend to launch various Infra products like cement, pipe fittings, tiles, water tanks, cement sheets, paints, chemicals, galvanized sheets, fly ash bricks, etc. This will enable us to cater to the multiple and distinct requirements of our clients under one roof, thereby reducing his workload and enriching his experience of making his dream house. All these product categories will be covered under the company's flagship brand "RUDRA". These products will soon be added to the product basket of the company.

The company is exploring the option of tie-ups with various manufacturers to outsource the products manufactured under "Rudra" Brand and is also in negotiation with major brands for tie-ups for cross branding of products. The

company believes that there cannot be a better time to reap the benefits of such strong and penetrated distribution channel. The company recognizes great potential in the infra sector and plans to become first of its kind multi-product retail brand catering to all infra needs under one roof.