



Enriching Lives

Kirloskar Ferrous Industries Limited

Investor Presentation
January 27, 2021

Kirloskar Ferrous Industries Limited



Enriching Lives

Leadership Team

Vision and Mission

Business Progress and Plan

Business and Products

Competitive edge

End use profile – Pig iron , Castings

Update on Casting & Pig iron

Financials

Top 20 Investors

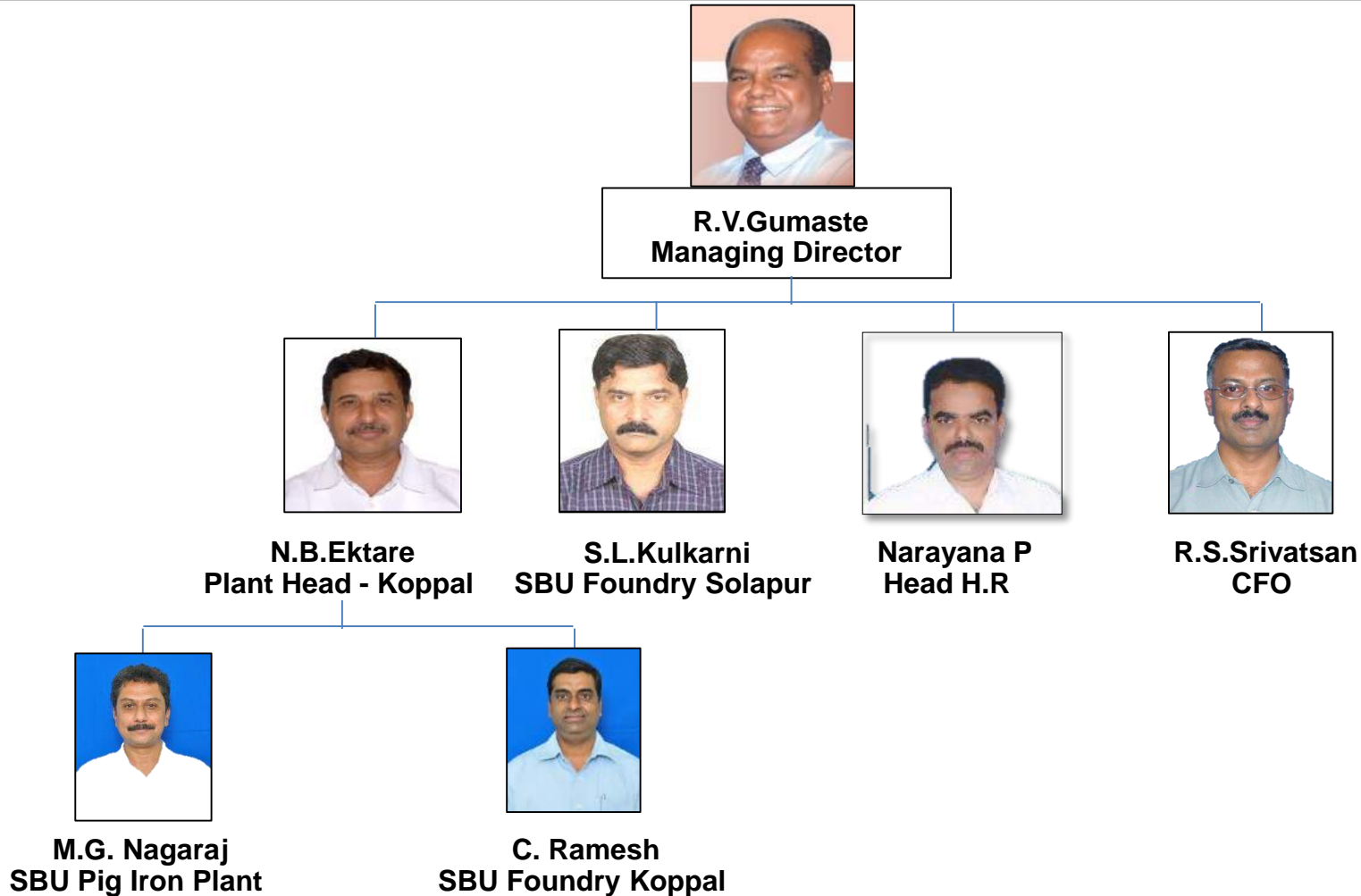
Update on Major Projects

Awards

Leadership Team



Enriching Lives



Vision and Mission



Enriching Lives

VISION

To be a partner of choice with our valued customers for Pig iron, Castings and Machined components.

MISSION: To become a Billion Dollar company by 2030

❖ Pig Iron

- To be a lowest cost producer
- Expand in to value added products
- To achieve 5,00,000 MT of liquid metal by 2022

❖ Casting

- Exceed customer expectation in Product development, Quality & Delivery
- Expand into new segments of casting and value addition by machining.
- To achieve 1,60,000 MT casting sales by 2025 and 200,000 MT sales by 2030
- Expand into new products beyond iron castings.

❖ To be a preferred Employer & responsible neighbor.

VALUES

EXCELLENCE

In everything we do, quality without compromise

INTEGRITY

Say what we do, and do what we say.

COLLABORATION

We grow with people and partners

EMPATHY | Towards all stakeholders

We always listen. And learn.

VALUE CREATION | Towards all

stakeholders

We're building for a shared prosperous future

INNOVATIVE THINKING

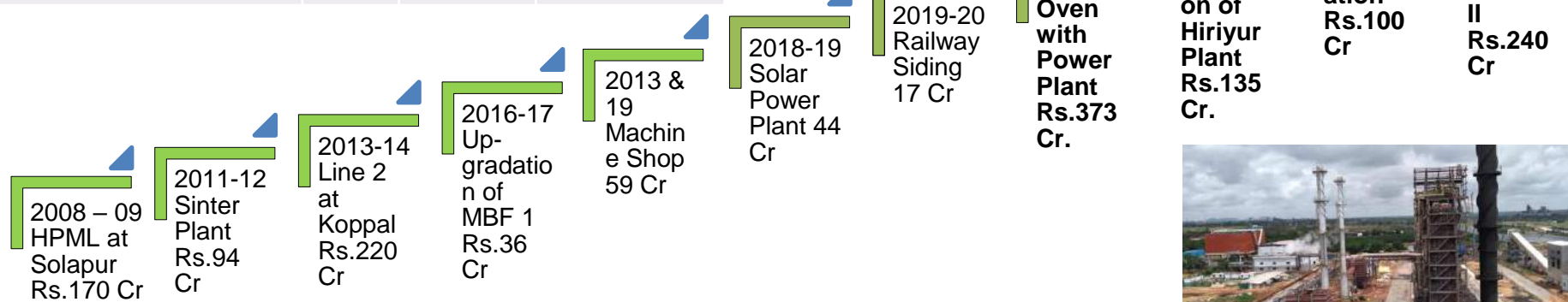
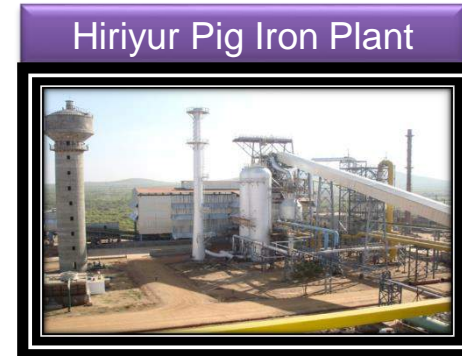
Be bold and brave. And stay relevant

KFIL - Progress and Plan



Enriching Lives

Projects	Investment	Status	Motive
2 New Foundries	390 Cr	Completed	Growth
2 New Machine Shops *	59 Cr *	Completed	Value addition & Growth
Sinter Plant	94 Cr	Completed	Growth & Cost reduction
MBF-I Upgradation	36 Cr	Completed	Growth
Solar Power Plant	44 Cr	Completed	Cost Reduction
Railway siding	17 Cr	Completed	Cost Reduction
Coke Oven with Power Plant	373 Cr	Completed	Cost Reduction
Asset Aquisition of Hiriyur Plant	135 Cr	Completed	Growth
PCI & MBF-II Upgradation	100 Cr	Planned	Cost Reduction
Coke Oven & Power Plant Phase II	240 Cr	Planned	Cost Reduction



Coke Oven Plant

*Machine shop investment & Expansion is continuous on going in phase wise.

Our Business



Enriching Lives

The Company has advanced manufacturing facility at Koppal and Solapur. Koppal plant is strategically located near Hospet-Bellary-Sandur iron ore area.

Pig iron - Capacity-3,91,400 MT*

Casting - Capacity-90,000 MT

Facility of producing Prototype castings with 3D printing technology available at Koppal Plant

** With MBF-II upgradation, commissioning of PCI, Oxygen enrichment at Koppal and commencement of Pig Iron Plant with Sinter Plant at Hiriyur, present capacity of Pig Iron will increase to 6.80 Lacs MT per anum*

The Solapur plant has **casting manufacturing** facility - Capacity-40,000 MT

Both Koppal and Solapur units have **forward integration** to machining facility for castings , with Total casting Capacity of 1,30,000 MT

Our Products



Enriching Lives

CASTINGS

Water-jacketed Blocks

Non Water-jacketed Blocks

Cylinder Heads

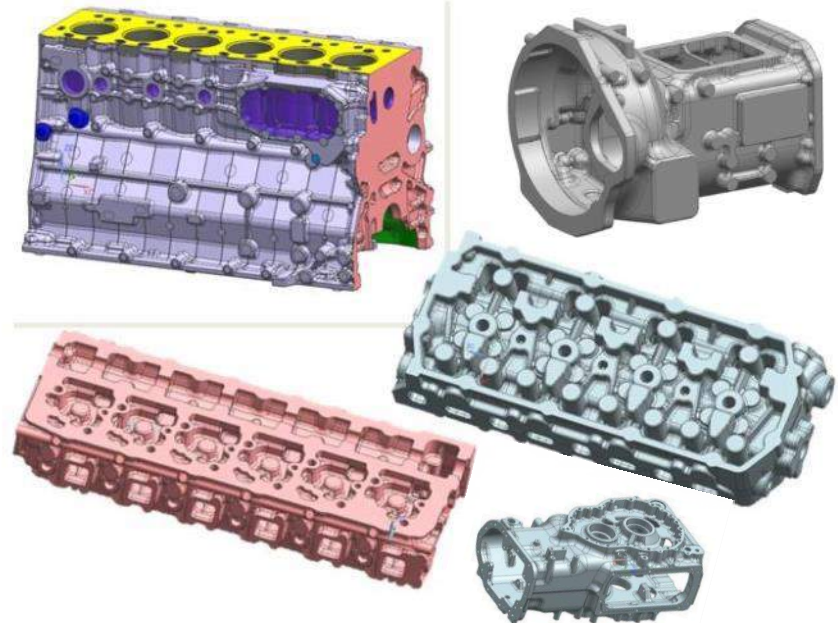
Housings

PIG IRON

Foundry Grade

S. G. Grade

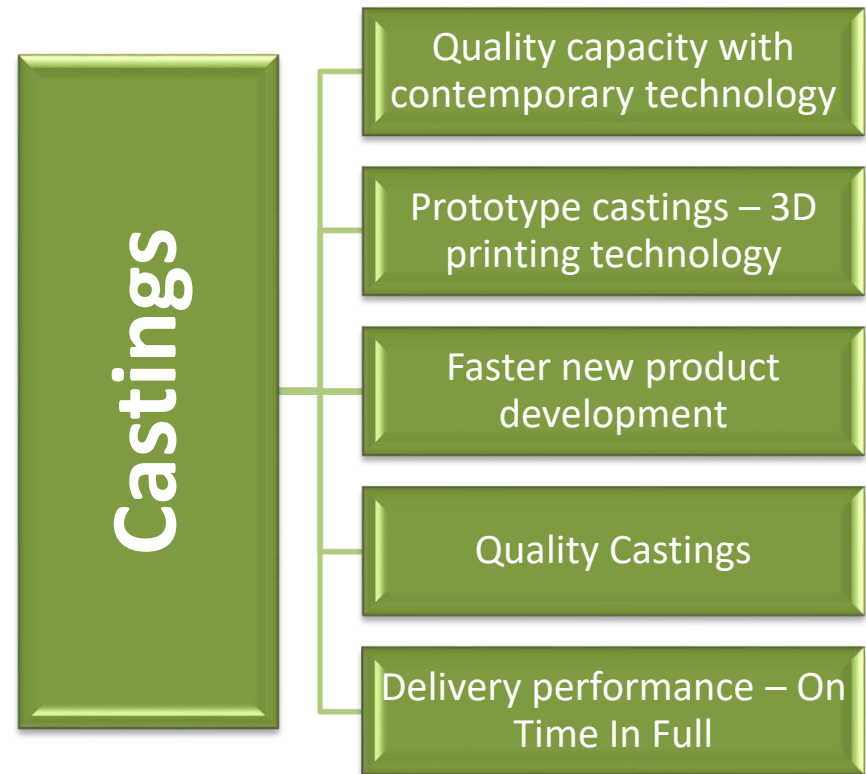
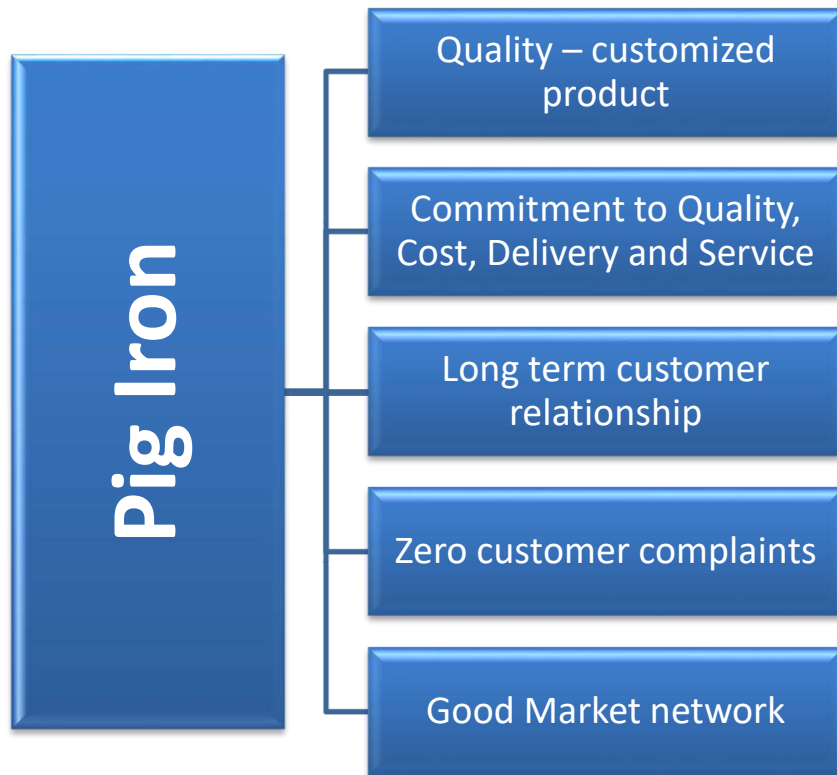
Basic Grade



Competitive edge



Enriching Lives



- Market share of KFIL for Foundry grade Pig iron – 40-42%%
- Rating of AC Nielsen – Customer Satisfaction Survey report for Pig Iron business shows Eq Index of 85

- Market share – 21% for KFIL castings
- Rating of AC Nielsen – Customer Satisfaction Survey report for Casting business shows Eq Index of 88

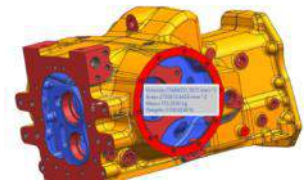
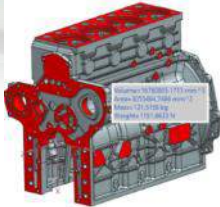
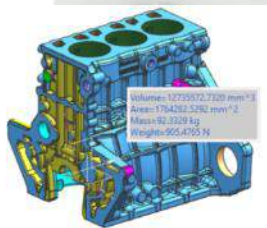
Prototype Castings



Enriching Lives



Established 3D printing facility at Koppal plant for manufacturing of Proto type castings



In-house Proto Machining capability established and Proto type Orders – Average 5 Projects per month

First SG iron Proto casting produced within 11 days

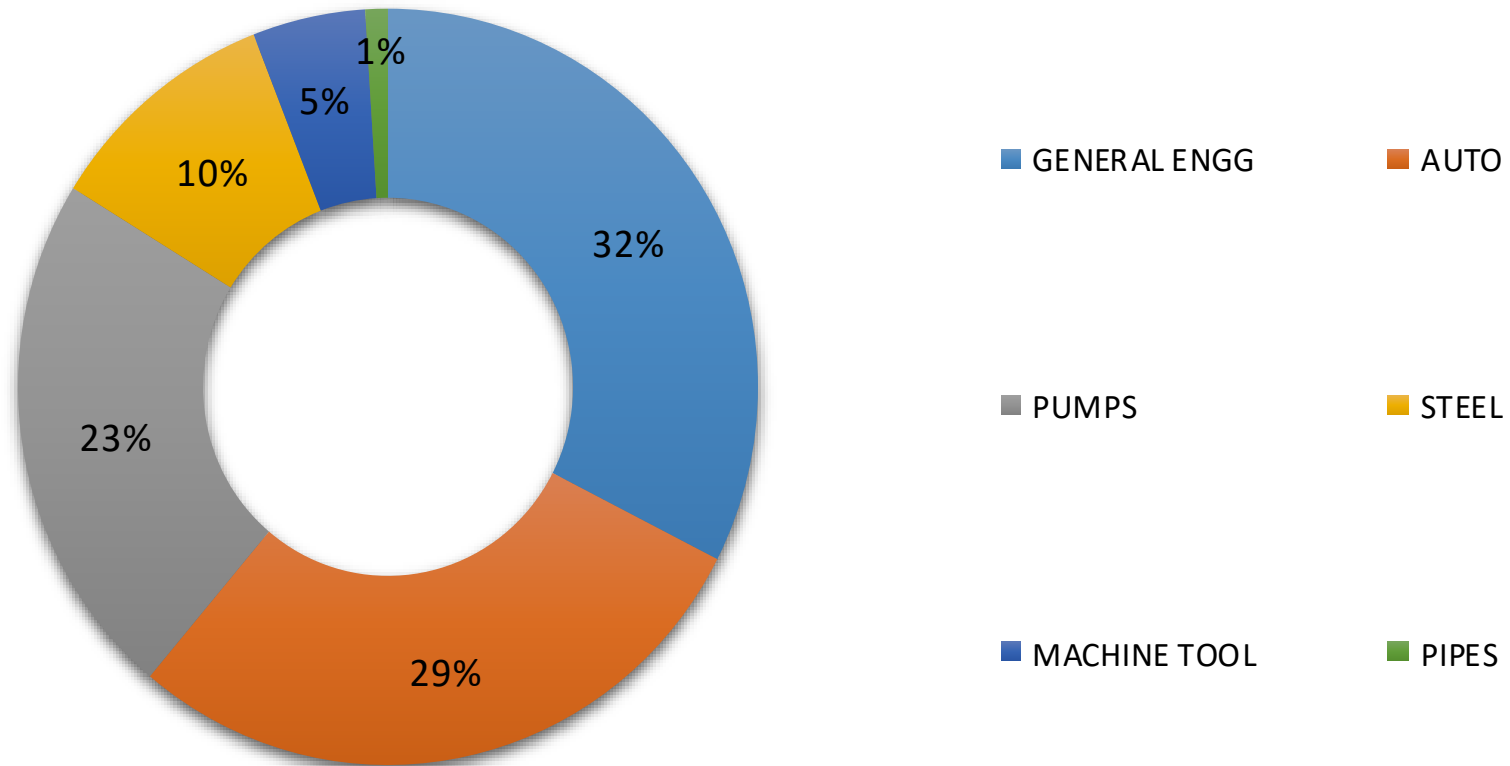


End use profile – Pig Iron



Enriching Lives

Pig Iron

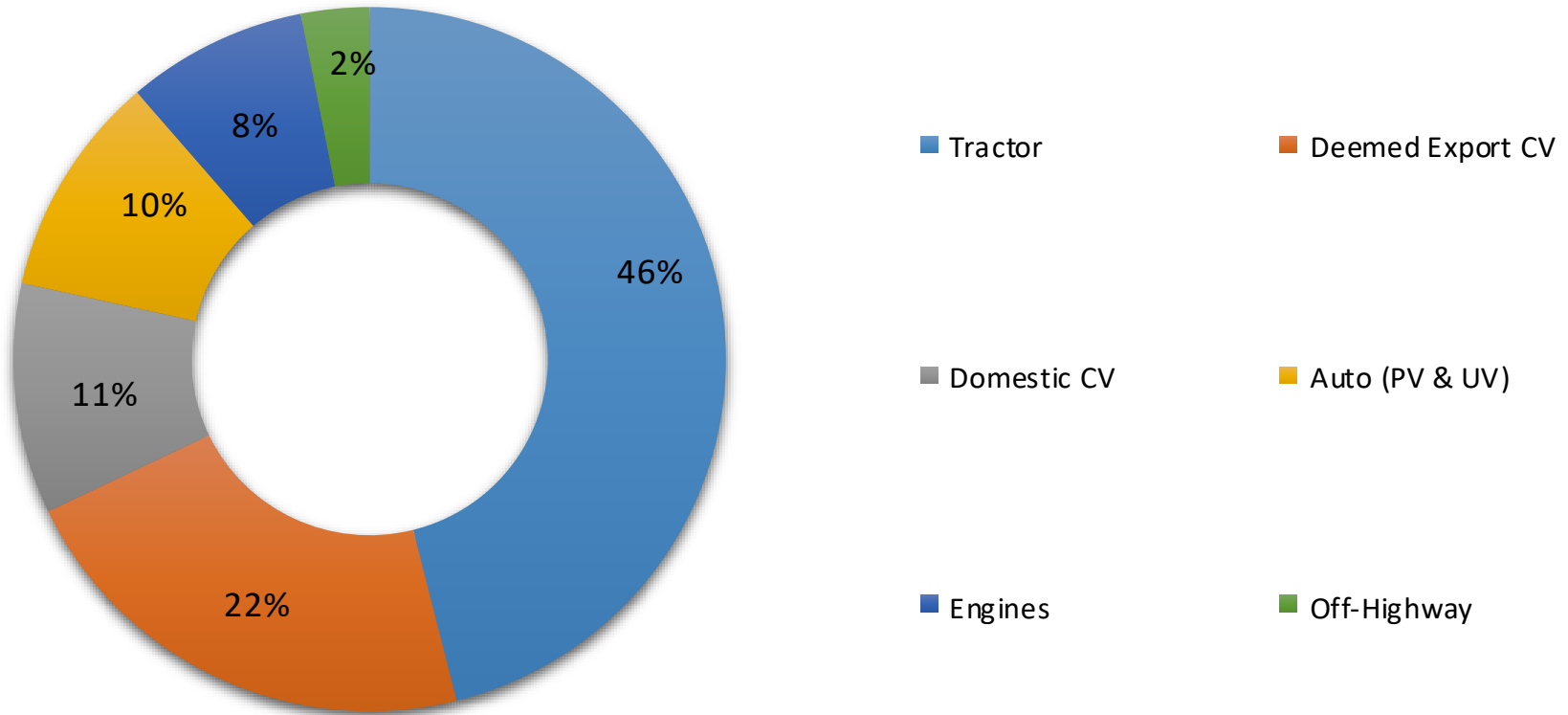


End use profile - Castings



Enriching Lives

Castings

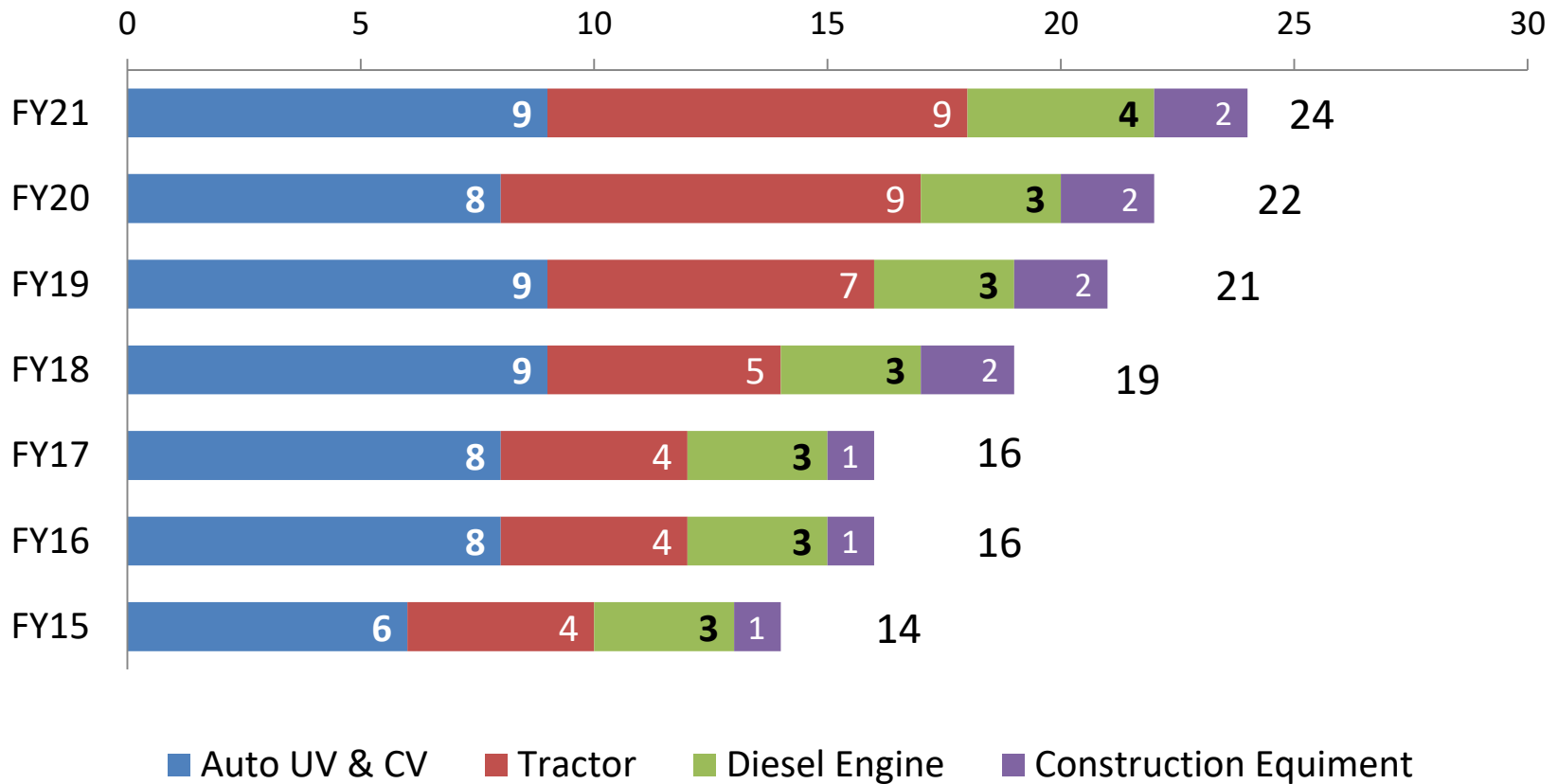


Casting Customer Base



Enriching Lives

Customer Addition



Update - Castings



Enriching Lives

Presently the casting production and despatches are normal

We are expanding the Machining Capacity in both plants by continuous Investment . Ramping up machined castings supply with New products & New customer additions

Castings demand has improved from tractor, auto and other sectors as well

Update - Pig Iron



Enriching Lives

Pig Iron plant is operating at full capacity

Coke oven plant and power plant production have been stabilized

Increased demand for Pig iron in the Market

Iron Ore Mines - Clearances for Mines startup is in progress

Acquisition of Assets (Pig Iron Plant) of VSL Steel Ltd situated at Paramenahally Village, Hiriyr Tq., Chitradurga Dist. Karnataka has been completed. The Pig Iron production is expected to start in QIV-2020-21



Enriching Lives

Financials



Highlights – Q3 2020-21

Sales of Rs.590.10 Crores in Q3 2020-21. An increase of 30% w.r.t. previous year Q3

EBITDA of Rs.145.28 Crores (24.6% of Sales) in Q3 2020-21

Credit rating of [ICRA]AA- for long term and [ICRA]A1+ for short term maintained

The operations of the company are normal after lifting of the nationwide lockdown in stages on account of Covid-19 and the company is experiencing good demand for its products from the customers

The Company started getting the benefit from commissioning of Coke Oven Plant and Power Plant. Both the plants were operational for the full quarter and Coke oven is operating at almost 100% capacity.

Financials



Enriching Lives

Particulars	Rs. In Crores					
	Quarter Ended			Period Ended		Year Ended
	31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Mar-20
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from Operations	590.10	486.24	455.25	1,289.38	1,401.48	1,849.66
Other Income	0.56	0.67	0.46	1.84	1.37	15.64
Total income (1+2)	590.66	486.91	455.71	1,291.22	1,402.85	1,865.30
Expenses						
(a) Cost of Materials consumed	292.14	250.78	271.86	659.77	880.10	1,131.40
(b) Purchase of stock-in-trade	-	-	-	-	-	-
(c) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress	-1.04	0.93	6.27	9.47	13.29	1.67
(d) Employee benefits expense	35.97	24.16	22.81	79.68	72.07	96.40
(e) Finance costs	6.28	6.43	4.07	19.53	14.02	17.26
(f) Depreciation and amortisation expense	19.22	19.02	14.77	55.89	42.83	57.51
(g) Other expenses	118.31	100.84	101.57	274.66	295.65	404.88
Total Expenses	470.88	402.16	421.35	1,099.00	1,317.96	1,709.12
Profit Before tax	119.78	84.75	34.36	192.22	84.89	156.18

Financials



Enriching Lives

% to Sales

Particulars	Quarter Ended			Period Ended		Year ended
	31-Dec-20	30-Sep-20	31-Dec-19	31-Dec-20	31-Dec-19	31-Mar-20
Material Costs	49.3%	51.8%	61.1%	51.9%	63.7%	61.3%
Power Costs	3.5%	4.5%	5.9%	4.5%	5.7%	5.9%
Employee Benefit Expenses	6.1%	5.0%	5.0%	6.2%	5.1%	5.2%
Finance Costs	1.1%	1.3%	0.9%	1.5%	1.0%	0.9%
Profit Before Tax	20.3%	17.4%	7.5%	14.9%	6.1%	8.4%
Profit After Tax	20.1%	13.5%	5.1%	12.9%	3.9%	6.1%
EBITDA	24.6%	22.7%	11.7%	20.8%	10.1%	12.5%

Top 20 Investors and their holdings

(As on 31-Dec-2020)



Enriching Lives

Sr.No.	Name of Shareholders	%		
		Dec-20	Sep-20	Dec-19
1	PROMOTER AND PROMOTER GROUP	59.25	59.26	59.38
2	HDFC SMALL CAP FUND	6.47	6.47	5.81
3	DSP SMALL CAP FUND	3.33	3.33	3.23
4	ARUN NAHAR	2.16	2.16	2.10
5	IDFC TAX ADVANTAGE (ELSS) FUND	1.59	1.63	1.35
6	IDFC STERLING VALUE FUND	1.37	1.31	1.11
7	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	1.30	1.20	1.2
8	JAGDISH AMRITLAL SHAH	0.93	0.93	0.93
9	ANJU AJAY SARAF	0.55	0.55	0.55
10	RAVINDRANATH VENKATESH GUMASTE	0.46	0.37	0.28
11	SHAUNAK JAGDISH SHAH	0.42	0.42	0.42
12	BEAUTIFUL DIAMONDS LTD	0.36	0.36	0.36
13	VIKRAM ADVISORY SERVICES PRIVATE LIMITED	0.32	0.31	0.16
14	ZAFAR AHMADULLAH	0.30	0.30	0.30
15	DIANA DHUN RATNAGAR	0.30	0.30	0.30
16	ITI SMALL CAP FUND	0.25	-	-
17	QUEST INVESTMENT ADVISORS PRIVATE LIMITED	0.20	-	-
18	AJAY GOVINDAS SARAF	0.20	0.20	0.20
19	PRINCIPLE SMALL CAP FUND	0.16	0.16	0.22
20	VIKRAM CHUNUBHAI SHAH	0.16	0.13	-
21	PRESCIENT WEALTH MANAGEMENT PRIVATE LIMITED	0.16	0.16	0.16
	TOTAL	80.24	79.55	78.06



Enriching Lives

Update on Major Projects

Proposed Capex outlay for major projects from the FY 2020-21 to FY 2022-23 is estimated at around Rs.700 Crores towards

Pig Iron

Focus: Capacity enhancement & Backward Integration

- MBF-2 Up-gradation
- Pulverized Coal Injection
- Operation of 2 iron ore mines
- Coke Oven –Phase 2 expansion from 2 to 4 Lac MT & Power Plant from 20MW to 40MW
- Acquisition of Pig Iron Plant

Casting

Focus: Value Additions & Capacity Enhancement

- Machining capacity enhancement
- Casting capacity enhancement / de-bottlenecking
- Fettleing & Finishing capacity enhancement
- Automation Projects

Coke oven 2 Lac TPA & 20 MW Power Plant Phase-II



Enriching Lives

Objective :

1.Coke Oven:

- To Reduce dependency on imported coke by installing coke oven plant
- Presently coke is sourced through Import & domestic coke Procurement

2. Power Plant

- To achieve self-sufficiency on power from installation of power plant
- To achieve power cost reduction.



Projected timeline for completion : FY 2022-23

Pulverized Coal Injection



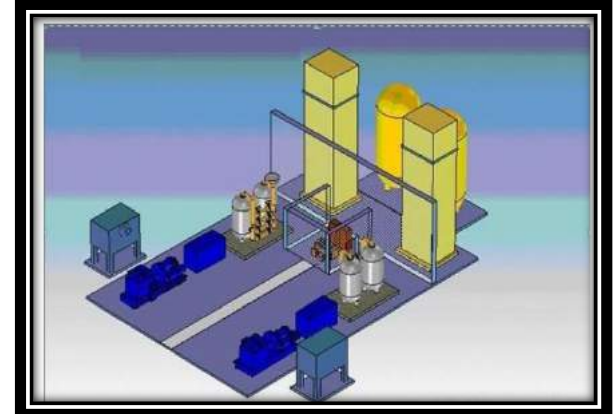
Enriching Lives

Objective :

Reduction in Coke Consumption

- The productivity of blast furnace improves since coal injection is accompanied with oxygen injection
- For Each percentage of O₂ Enrichment , 3.5% of Productivity increase is envisaged

Projected timeline for completion : FY 2021-22



Mini Blast Furnace-2 Up gradation and Bell less top for MBFs'



Enriching Lives

Objective :

Production capacity enhancement from 3,91,400 TPA to 4,25,000 TPA

Reduction in coal/coke consumption

Achieve better productivity

Increased life of refractory lining

Projected timeline for completion : FY2021-22



Machining capacity enhancement



Enriching Lives

Objective :

Ramping up machine shop capacity with New products & New customer additions



Expansion of Fettling & Finishing capacity



Enriching Lives

Objective :

Expansion of Fettling & finishing capacity



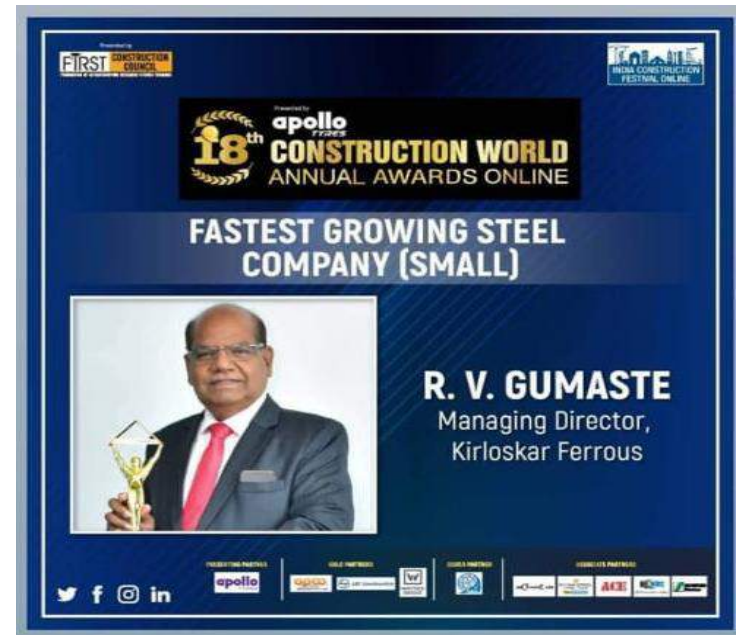
Awards - FY2020-21



Enriching Lives



Outstanding Contribution for New Product Development Award” from Volvo Eicher



“Fastest Growing Steel Company (Small) Award” from Construction World

Awards - FY2020-21



Enriching Lives

KFIL won 2 awards in CII EXIM Bank Award for Business Excellence 2020.

KFIL won two awards from CII.

1. **Special Jury Commendation for Consistent Progressive Performance**

2. **PLATINUM AWARD** under the **CII-EXIM BANK Award for Business Excellence 2020**



IIF Awards

KFIL Won the “**IIF KAIZEN THROPHY**” of **3rd PRIZE** in southern Region **IIF KAIZEN Competition**.



Disclaimer



Enriching Lives

Statements in this presentation, particularly those which relate to management's views and analysis, describing the Company's objectives, projections, estimates and expectations may constitute "forward looking statements" within the meaning of applicable laws and regulations. Actual results might differ materially from those either expressed or implied.



Enriching Lives

Thank you