

# Kirloskar Ferrous Industries Limited

Investor Meet Presentation September 25, 2020

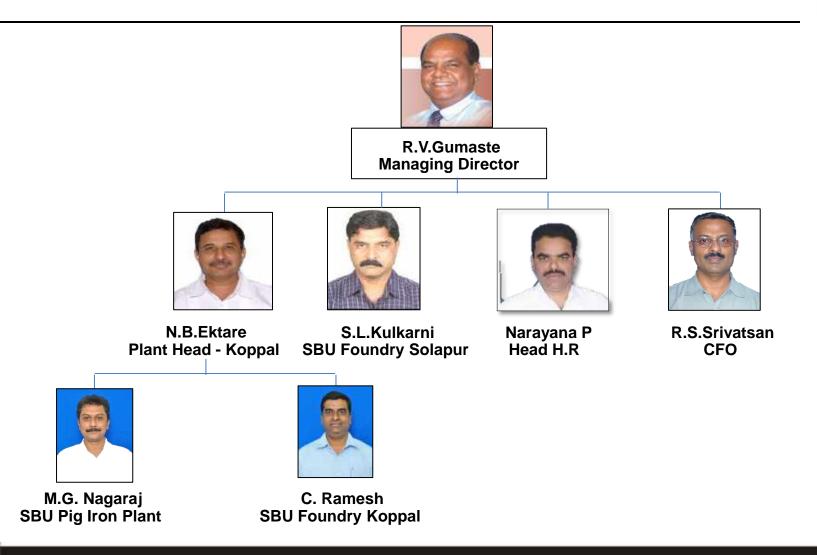
#### Kirloskar Ferrous Industries Limited



Leadership Team
Vision and Mission
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## Leadership Team





#### Vision and Mission



#### **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**

- Customer Centricity
- Integrity
- Fairness & PartnershipDevelopment
- Mutual Trust & TeamWork
- Agility with Discipline

# KFIL - Progress and Plan



Projects	Investme nt	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 Upgrdation	36 Cr	Completed	Growth
Solar Power Plant	44 Cr	Completed	Cost Reduction
3 D Printing	9 Cr	Completed	Growth
Railway siding	17 Cr	Completed	Cost Reduction
Coke Oven with Power Plant	373 Cr	Completed	Cost Reduction
PCI & MBF-II Upgradation	100 Cr	Planned	Cost Reduction

2013-14

Line 2 at

Koppal

Rs.220

Cr





2018-19 3D **Printing** 9 Cr

2018-19 Solar Power Plant 44 Cr

2019-20 Railway Siding 17 Cr

Coke Oven with **Power Plant** Rs.373 Cr

PCI & **MBF Upgrad** ation Rs.100 Cr

\*Machine shop investment & Expansion is continuous on going in

2016-17

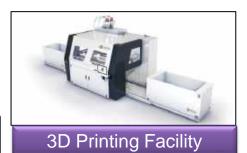
gradatio

Up-

n of

MBF 1

Rs.36 Cr





Coke Oven Plant

2013 &

Machine

Shop 59

Cr

2008 - 09

HPML at

Solapur Rs.170 Cr

phase wise.

2011-12

Rs.94 Cr

Sinter

**Plant** 

#### **Our Business**



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

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**





Water-jacketed Blocks

Non Water-jacketed Blocks

Cylinder Heads

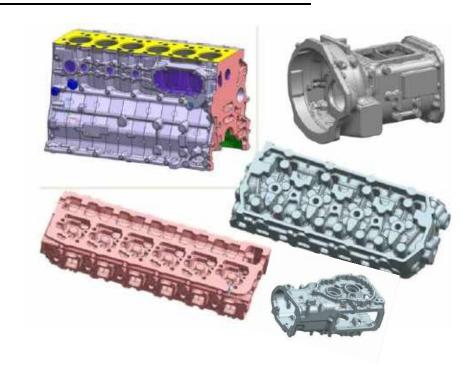
Housings

**PIG IRON** 

Foundry Grade

S. G. Grade

Basic Grade





### **Executive Summary**



Due to Covid-19 restrictions and concerns, the Company temporarily suspended its operations in three phases commencing from second half of March-2020.

Subsequently, considering the permissions granted by the Local Authorities based on the guidelines issued by the Government of India and State Governments from time to time and the demand for the products from our customers; the operations of the Plant resumed as under:

- a. Mini Blast Furnace-I on 6-May-2020 and Mini Blast Furnace-II on 5-Jun-2020
- Foundry situated at Bevinahalli Village, District Koppal, Karnataka on 11-May-2020.
- c. Foundry situated at Solapur, Maharashtra on 14-May-20

The Company is closely monitoring the business environment and material changes to future economic conditions

# Executive Summary – FY 2019-20



KFIL achieved 496th position in "Fortune 500 India" during 2019-20

Sales of Rs.1850 Crores achieved in FY 2019-20

EBITDA of Rs.231 Crores (12.5% of Sales) achieved in FY 2019-20

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

Commissioned Railway siding project and started movement of goods through rake

Commissioned the 2 Lac MTPA Coke Oven Plant on 31-March-2020

Started reaping the benefits of Green Power installed at Sholapur Plant







## Executive Summary – Q1 2020-21



Sales of Rs.213 Crores in Q1 2020-21

EBITDA of Rs.12 Crores (5.7% of Sales) in Q1 2020-21

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

Stabilized 2 Lac MTPA Coke Oven Plant at Koppal unit.

Commissioned the 20 MW Power Plant project on 11-June-2020 at Koppal unit.

Started getting benefits of captive consumption of power, generated from new 20 MW Power plant at Koppal plant

# Executive Summary - Prototype Castings





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













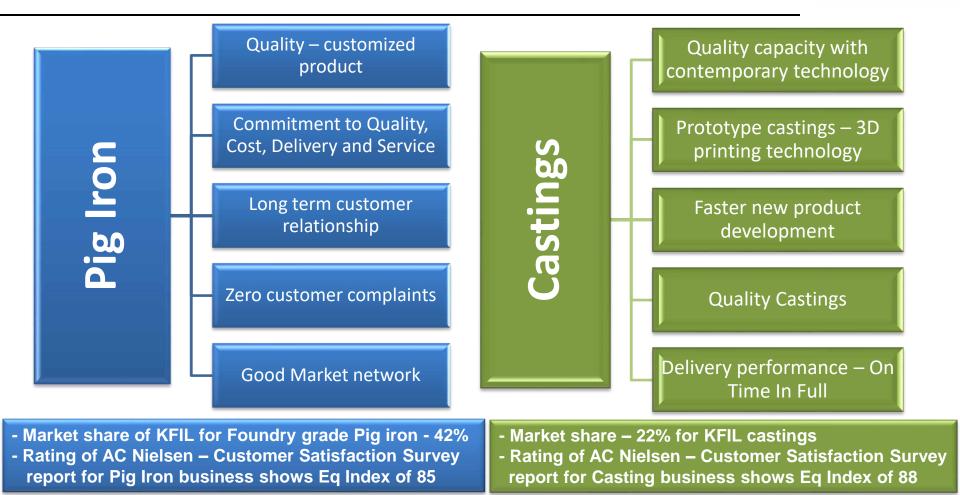
Inhouse Proto Machining capability established and Proto type Orders – Average 5 Projects per month

First SG iron Proto casting produced within 11 days



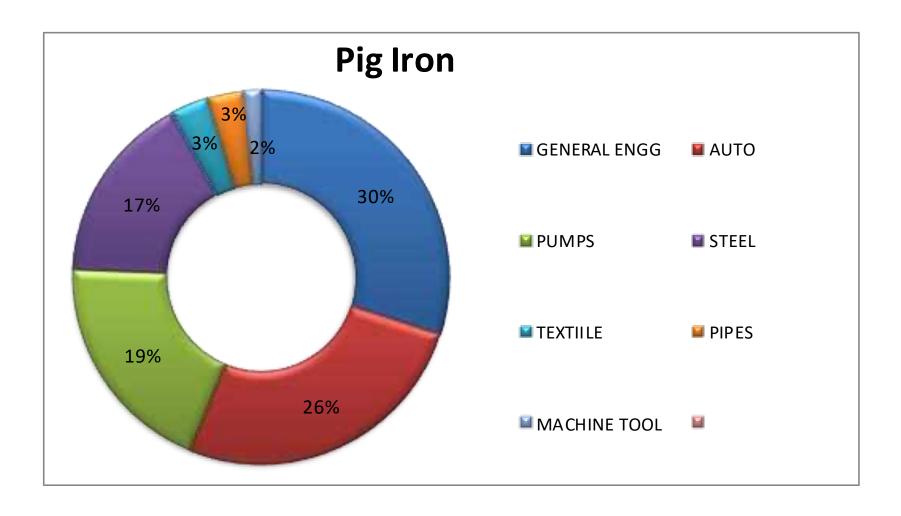
## Competitive edge





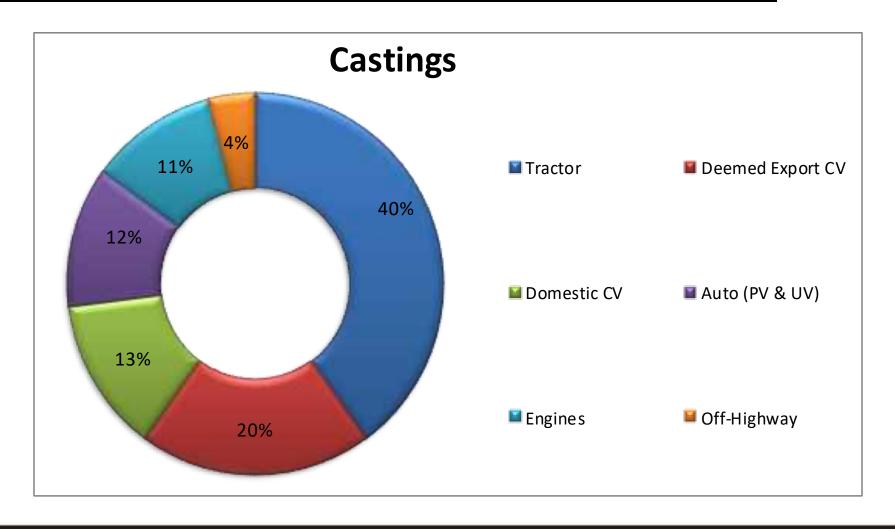
# End use profile – Pig Iron





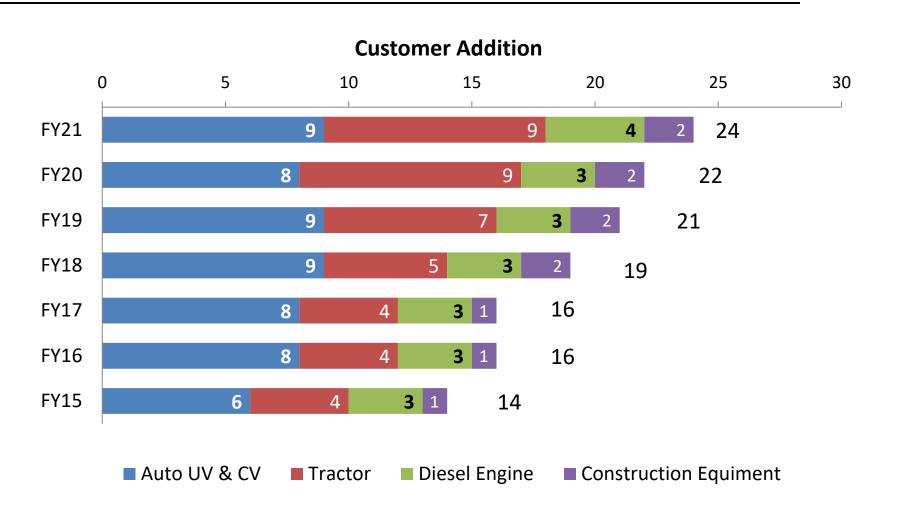
# End use profile - Castings





### Casting Customer Base





# **Update - Castings**



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 is strong and substantial contribution is from Tractor sector

# Update - Pig Iron



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

Due diligence for acquisition of Assets (Pig Iron Plant) of VSL Steel Ltd situated at Paramenahally Village, Hiriyur Tq., Chitradurga Dist. Karnataka is in Progress





(Rs. Lakhs)

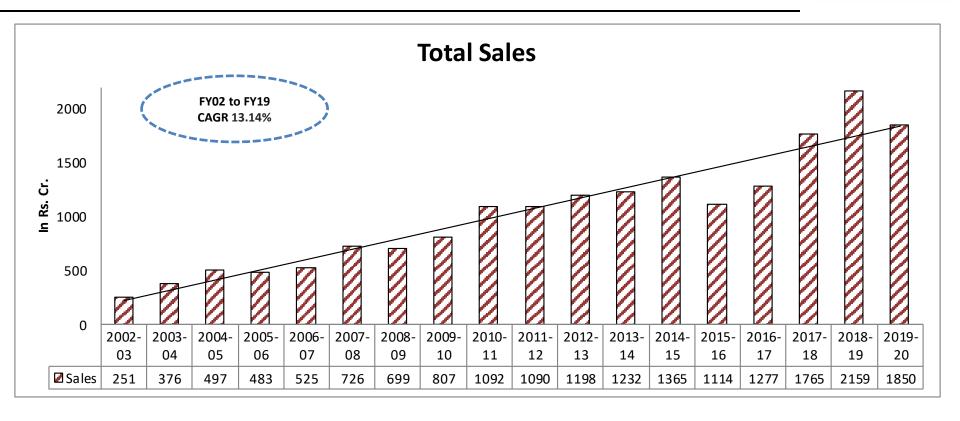
	G	Year ended		
Particulars	30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20
Revenue from Operations	21,304	44,818	48,199	1,84,966
Other Income	61	1,427	15	1,564
Total income	21,365	46,245	48,214	1,86,530
Expenses				
(a) Cost of Materials consumed	11,685	25,130	31,862	1,13,140
(b) Purchase of stock-in-trade	-	-	-	-
(c) Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	958	(1,162)	(902)	167
(d) Employee benefits expense	1,955	2,433	2,381	9,640
(e) Finance costs	682	324	490	1,726
(f) Depreciation and amortisation expense	1,765	1,468	1,406	5,751
(g) Other expenses	5,551	10,923	10,348	40,488
Total Expenses	22,596	39,116	45,585	1,70,912
Profit before tax	(1,231)	7,129	2,629	15,618



(% to Sales)

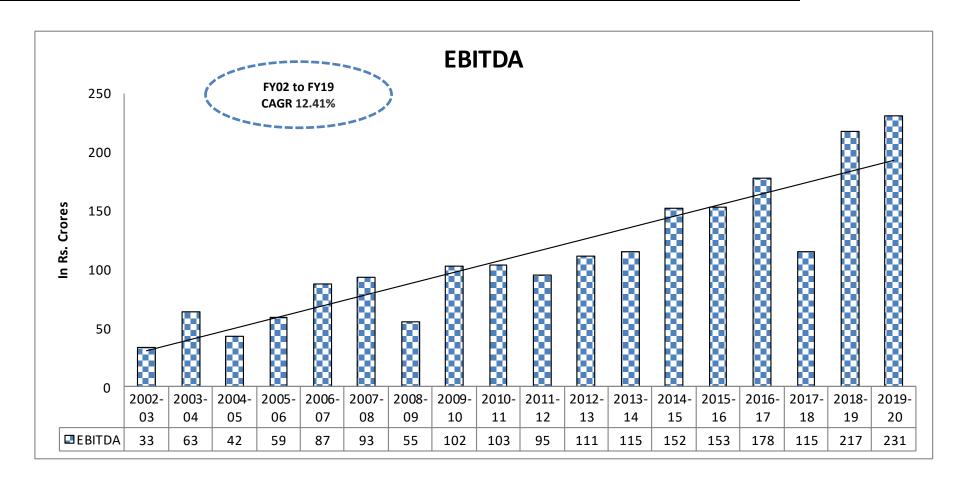
Particulars	Q	Year ended		
Particulars	30-Jun-20	31-Mar-20	30-Jun-19	31-Mar-20
Material Cost	59.3	53.5	64.2	61.3
Power Cost	7.2	6.5	5.6	5.9
Employee benefits expense	9.2	5.4	4.9	5.2
Finance Cost	3.2	0.7	1.0	0.9
Profit before tax	-5.8	15.9	5.5	8.4
Profit after tax	-8.0	12.8	3.8	6.1
EBITDA	5.7	19.9	9.4	12.5



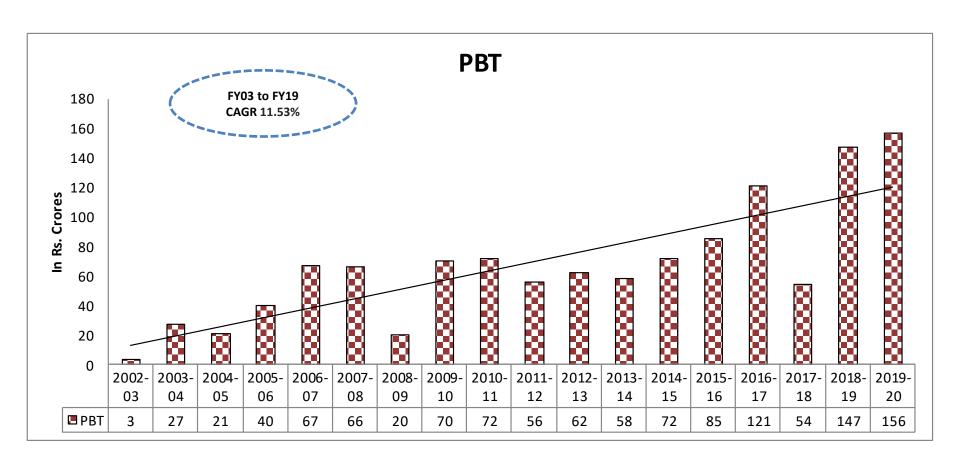


"KFIL has grown from Rs.251 Cr to Rs.1850 Cr business in last 18 years"

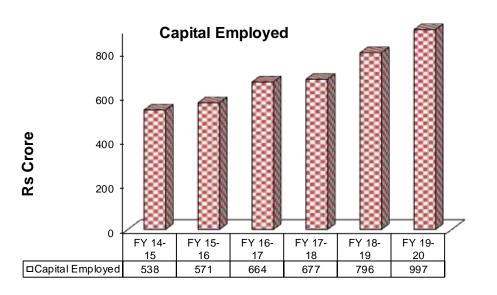


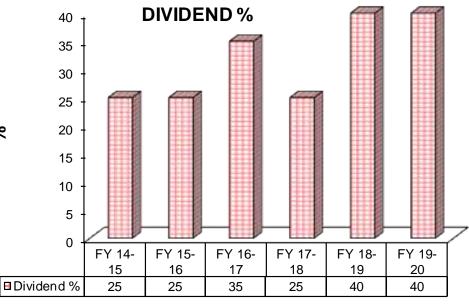












%

# Top 20 Investors and their holdings

Enriching Lives

(As on 30-June-2020)

Sr.No	Name of Shareholders	%		
Sr.NO	Name of Shareholders	Jun-20	Mar-20	Jun-19
1	PROMOTER AND PROMOTER GROUP	59.33	59.34	59.41
2	HDFC SMALL CAP FUND	6.45	6.24	3.86
3	DSP SMALL CAP FUND	3.23	3.23	2.55
4	ARUN NAHAR	1.97	1.97	1.97
5	IDFC TAX ADVANTAGE (ELSS) FUND	1.52	1.45	0.92
6	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	1.20	1.20	1.07
7	IDFC STERLING EQUITY FUND	1.16	1.16	1.05
8	JAGDISH AMRITLAL SHAH	0.93	0.93	0.93
9	SBI MAGNUM COMMA FUND	0.68	0.68	0.69
10	ANJU AJAY SARAF	0.55	0.55	0.55
11	SHAUNAK JAGDISH SHAH	0.42	0.42	0.42
12	BEAUTIFUL DIAMONDS LTD	0.36	0.36	0.36
13	ZAFAR AHMADULLAH	0.30	0.30	0.30
14	DIANA DHUN RATNAGAR	0.30	0.30	0.30
15	VIKRAM ADVISORY SERVICES PRIVATE LIMITED	0.24	0.18	0.13
16	PRINCIPAL SMALL CAP FUND	0.22	0.22	0.18
17	AJAY GOVINDAS SARAF	0.20	0.20	0.20
18	RAVINDRANATH VENKATESH GUMASTE	0.19	0.19	0.19
19	PRESCIENT SECURITIES PRIVATE LIMITED	0.16	0.16	0.16
20	MALTI HINDUJA	0.15	0.15	0.15
21	FINOLEX CABLES LIMITED	0.14	0.14	0.14
22	JAYESH RAMNIKLAL LALAN	0.14	0.14	-
23	NITIN VASHISTH	0.14	0.14	0.14
	TOTAL	20.65	20.31	16.26



# Update on Major Projects

# Capex outlay



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
- Fettling & Finishing capacity enhancement
- Automation Projects

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



#### 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.



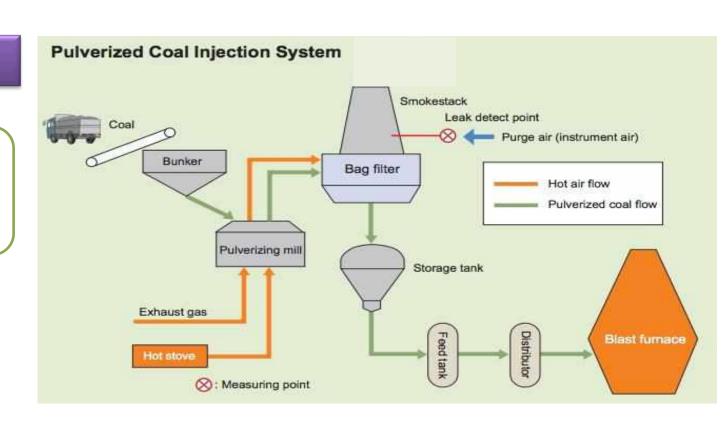
**Projected timeline for completion: FY 2022-23** 

# Pulverized Coal Injection



#### Objective:

Reduction in Coke Consumption



**Projected timeline for completion: FY 2021-22** 

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



#### 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



#### Objective:

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







# Expansion of Fettling & Finishing capacity



#### Objective:

Expansion of Fettling & finishing capacity







# Awards - FY2019-20





Awarded as "Fastest growing Steel Company (Small)" by "Construction World (A Largest circulated Construction Business Magazine)"



"SUPERIOR PERFORMANCE FY-2019" Award from Mahindra



Award from VECV for outstanding performance in castings Business



"National Energy Conservation award" from Ministry of Power, Government of India

# Awards - FY2019-20





"Platinum award" from CII- EXIM Bank Award for Business Excellence



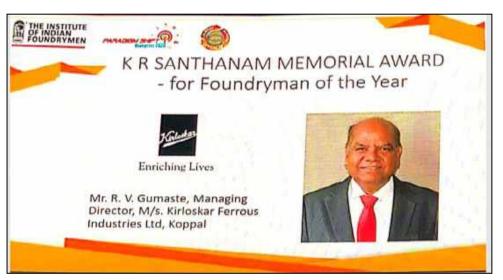
KFIL awarded as "Top Organizations with Innovative HR Practices" by "Asia Pacific HRM Congress"



"Unnatha Suraksha Puraskara" from National Safety Council, Bangalore

# Awards - FY2019-20







"K R SANTHANAM MEMORIAL AWARD- For Foundryman of the Year" from IIF

Green Foundry of the Year Award" from IIF

#### Disclaimer



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.



# Thank you