



Enriching Lives

Kirloskar Ferrous Industries Limited

Q3 FY20 Investor Meet Presentation
February 18, 2020

Kirloskar Ferrous Industries Limited



Enriching Lives

Leadership Team

Vision and Mission

Business Progress and Plan

Business and Products

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End use profile

Competitive edge

Financials

Top 20 Investors

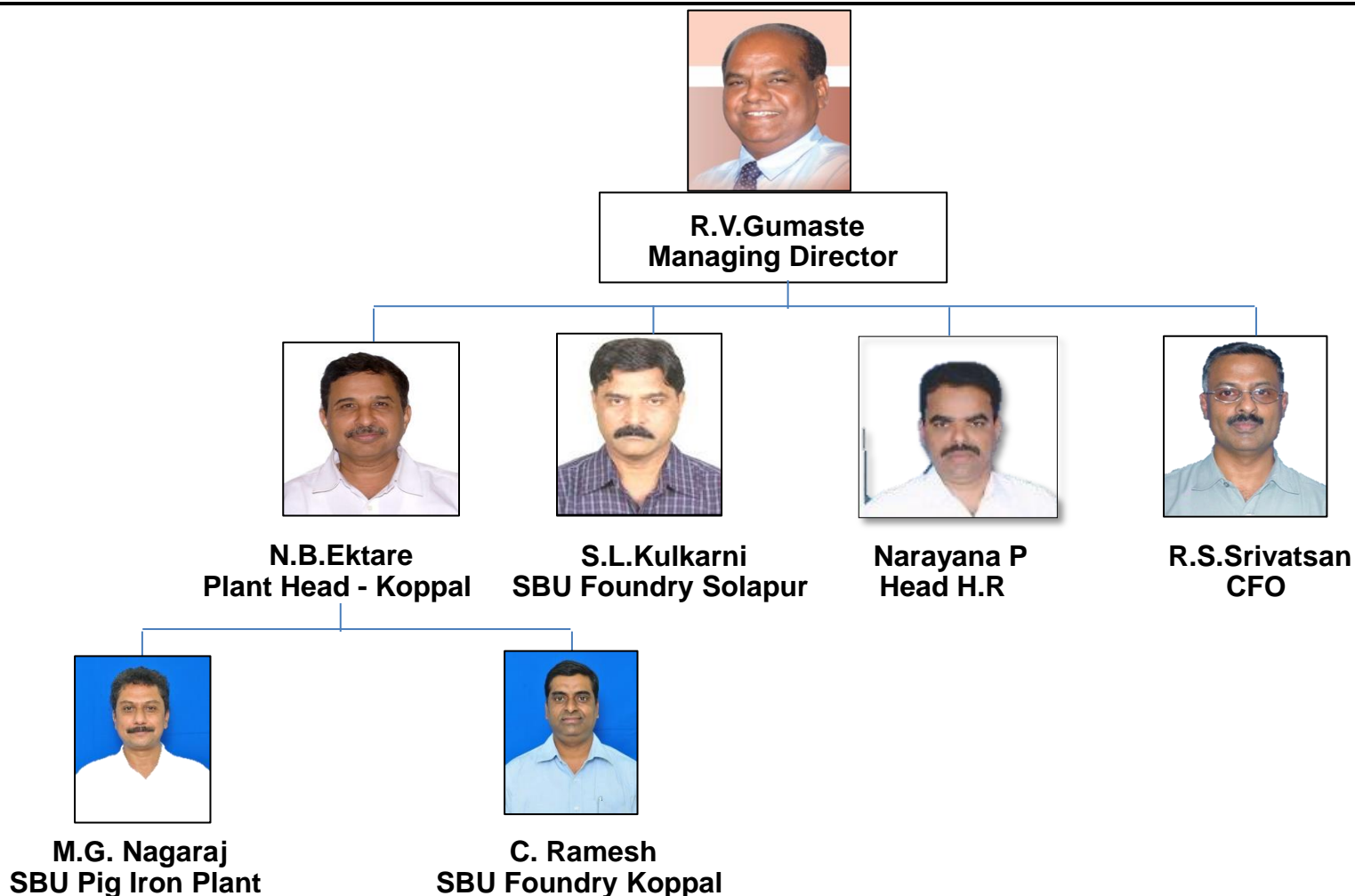
Update on Major Projects

Awards

Leadership Team



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Vision and Mission



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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 425,000 MT of liquid metal by 2020

❖Casting

- Exceed customer expectation in new product development
- Exceed customer expected level of quality
- On time in full delivery performance
- To achieve 150000 MT casting sales by 2021 and 200,000 MT sales by 2025
- Expand in to new segments of vehicle components.

❖To be a preferred Employer & responsible neighbor.

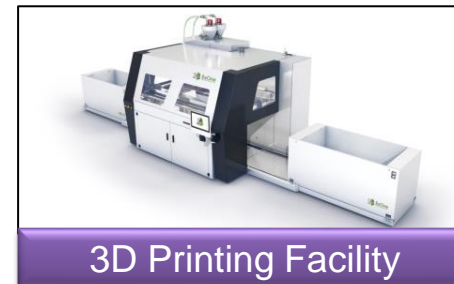
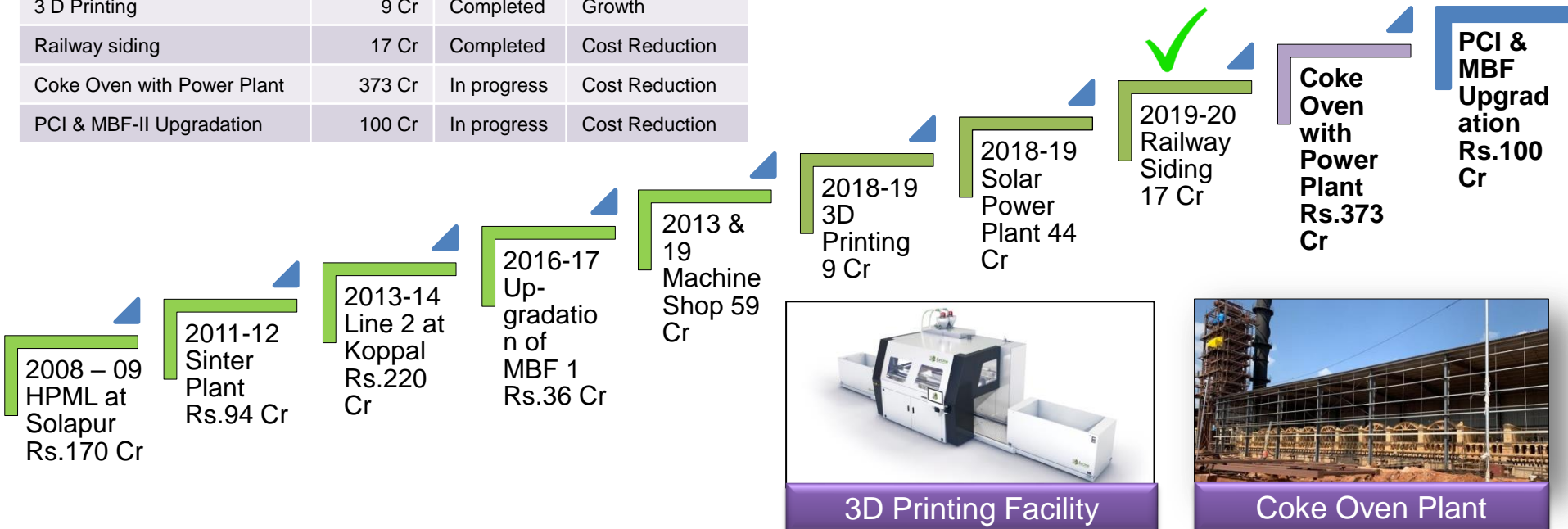
KFIL Projects

So far Progress and Plan



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Projects	Investment	Status	Motive
2 New Foundries	390 Cr	Completed	Growth
2 New Machine Shops	59 Cr	Completed	Growth
Sinter Plant	94 Cr	Completed	Growth & Cost reduction
MBF-I Upgradation	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	In progress	Cost Reduction
PCI & MBF-II Upgradation	100 Cr	In progress	Cost Reduction



Our Business



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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

Our Products



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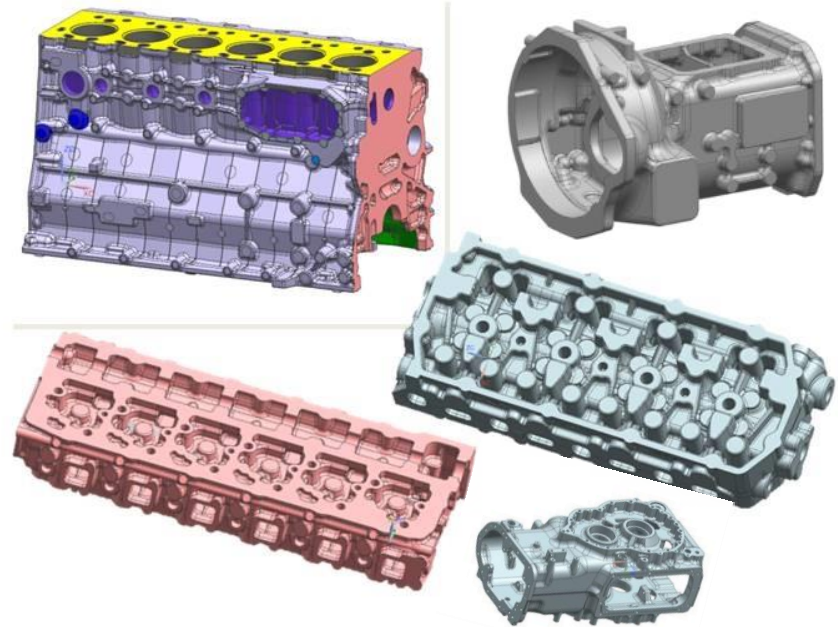
CASTINGS

Water-jacketed Blocks

Non Water-jacketed Blocks

Cylinder Heads

Housings



PIG IRON

Foundry Grade

S. G. Grade

Basic Grade



Executive Summary

KFIL achieved 496th position in “Fortune 500 India”

Sales of Rs.1401 Crores achieved in Nine months
(i.e. From Apr-19 to Dec-19)

EBITDA of Rs.142 Crores (10.1% of Sales) achieved for Nine months
(i.e. From Apr-19 to Dec-19)

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

Commissioned Railway siding project and started movement of Pig Iron and Slag through rakes



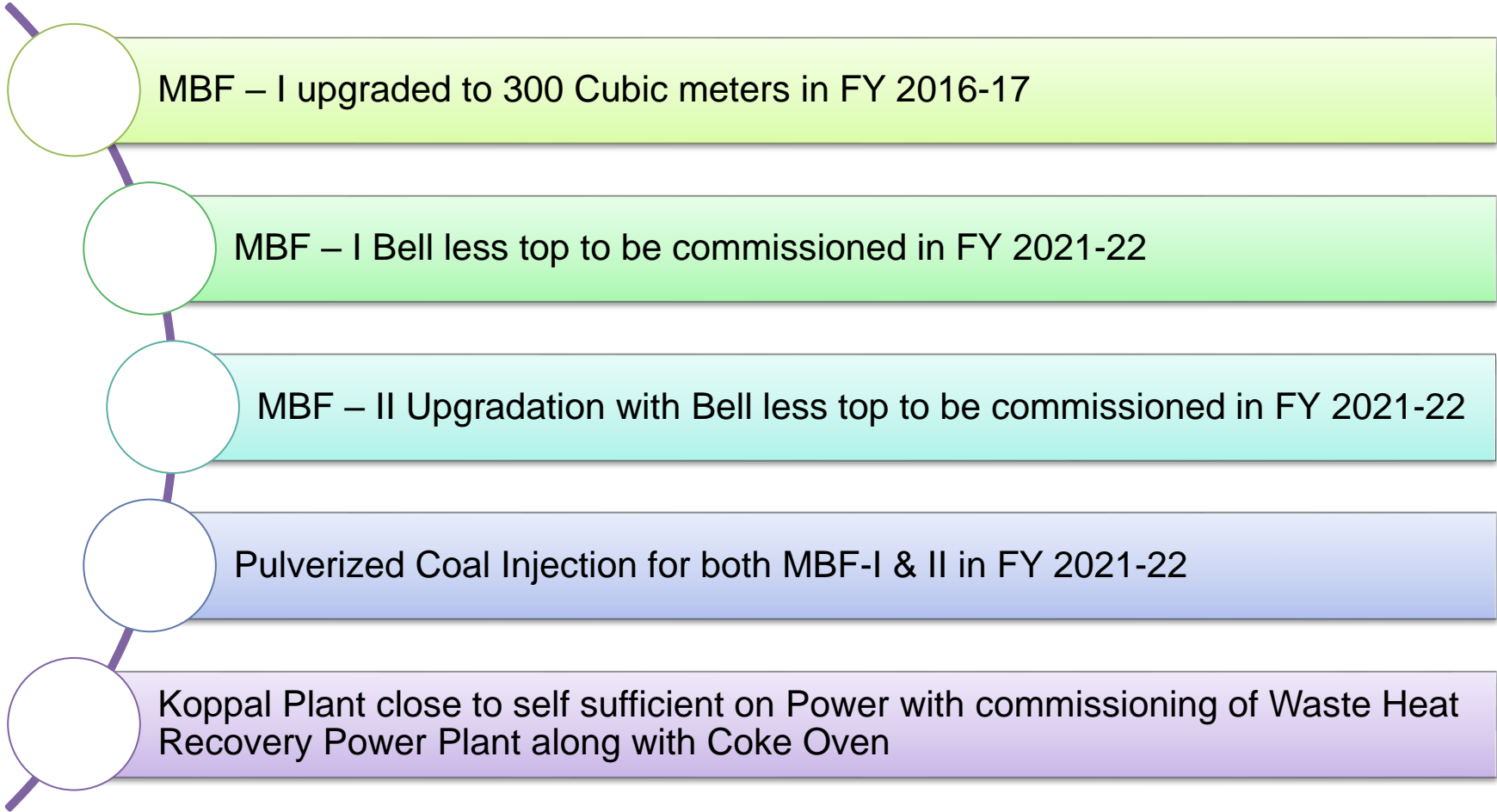
Commissioning the 2 Lac MTPA Coke Oven Plant and 20 MW Power Plant project at Koppal unit. Currently is in advance stage of erection



Executive Summary - Pig Iron



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MBF – I upgraded to 300 Cubic meters in FY 2016-17

MBF – I Bell less top to be commissioned in FY 2021-22

MBF – II Upgradation with Bell less top to be commissioned in FY 2021-22

Pulverized Coal Injection for both MBF-I & II in FY 2021-22

Koppal Plant close to self sufficient on Power with commissioning of Waste Heat Recovery Power Plant along with Coke Oven

Executive Summary - Castings



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Upgraded all the 4 Furnaces at Koppal unit to have efficient melting and power benefit

Started sand reclamation and achieved 1500 MT per month of sand at both locations to recycle the core sand

KFIL enters Large Castings business and started producing 525 KG casting. First casting was poured on January-2020

Started reaping the benefits of Green Power installed at Solapur plant

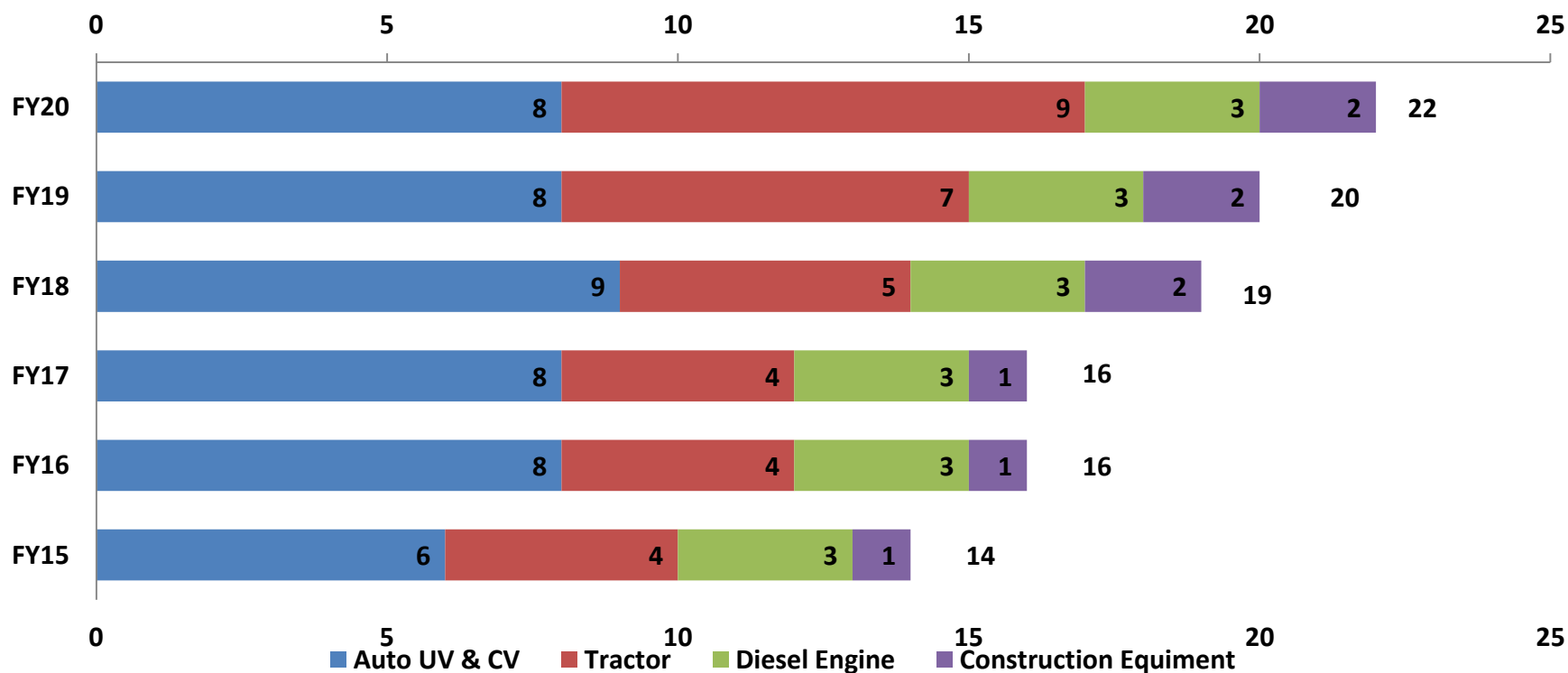


Executive Summary - Castings



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Number of Customer Base increased from 14 in FY 2015 to 22 in FY 2020



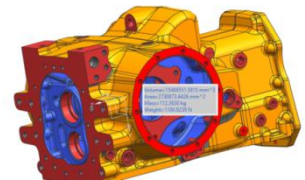
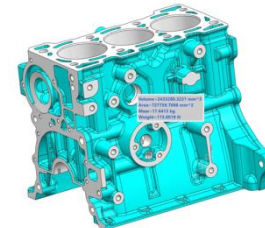
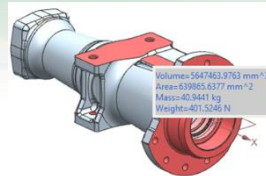
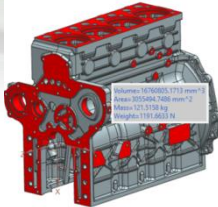
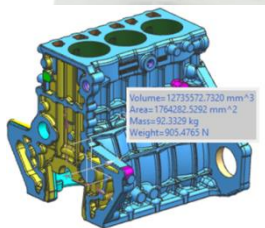
Executive Summary - Prototype Castings



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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**

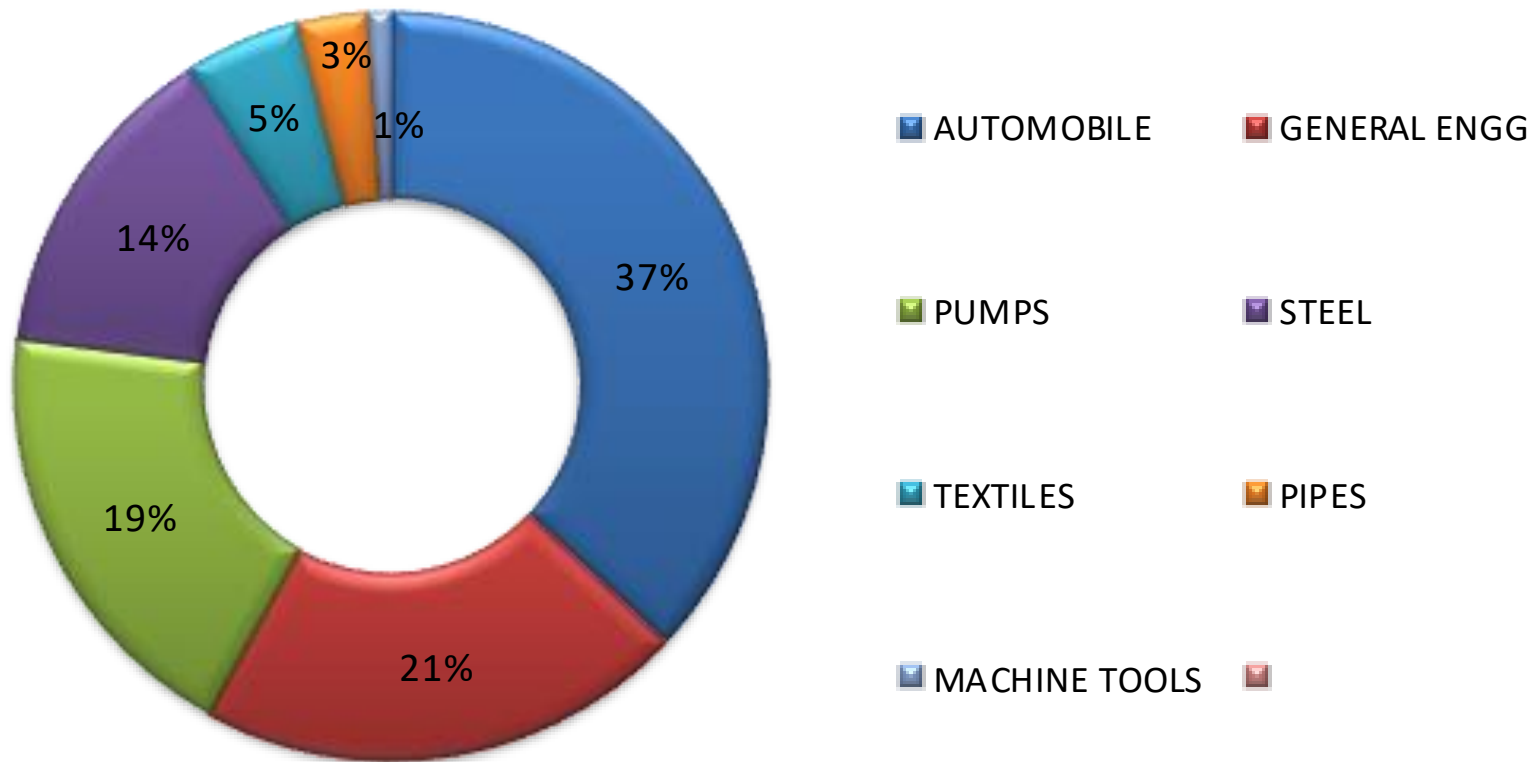


End use profile



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Pig Iron

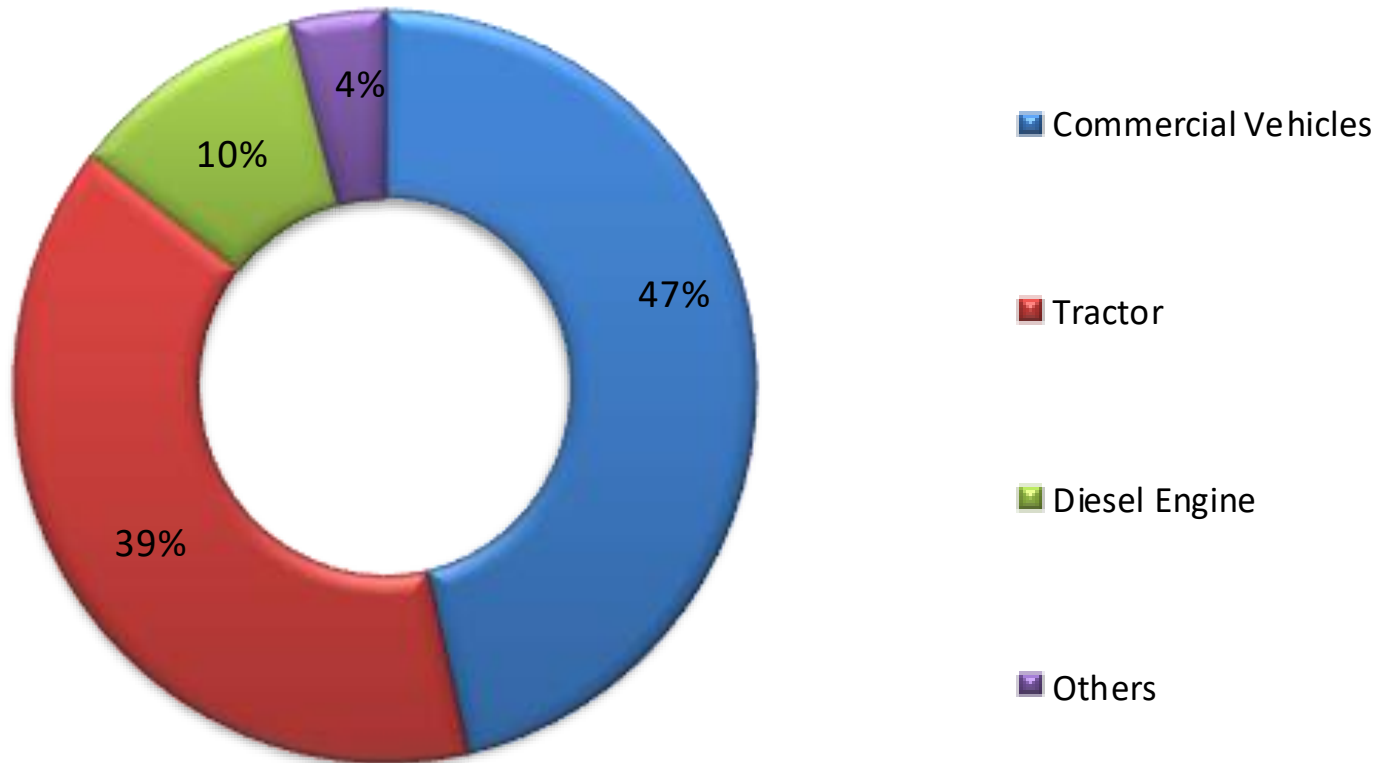


End use profile



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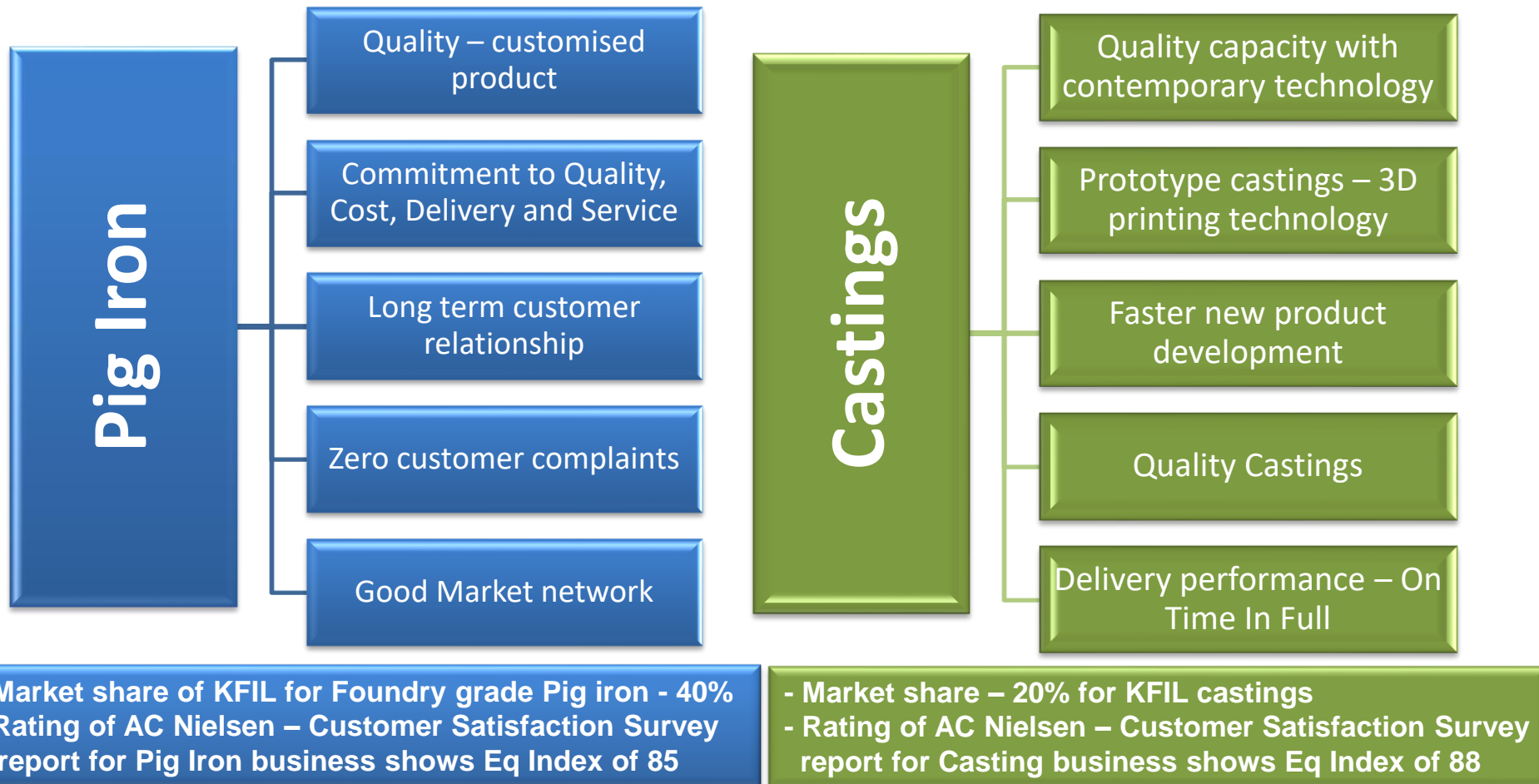
Castings



Competitive edge



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Financials

Financials



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(Rs. Lakhs)

Particulars	Quarter ended			Period ended		Year ended
	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
Revenue from Operations	45,525	46,424	58,252	1,40,148	1,61,911	2,15,915
Other Income	46	53	44	137	162	553
Total income	45,571	46,477	58,296	1,40,285	1,62,073	2,16,468
Expenses						
(a) Cost of Materials consumed	27,186	28,962	36,236	88,010	99,864	1,34,478
(b) Purchase of stock-in-trade	-	-	-	-	1,397	1,397
(c) Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	627	1,604	764	1,329	(479)	(859)
(d) Employee benefits expense	2,281	2,545	2,290	7,207	6,895	9,374
(e) Finance costs	407	505	461	1,402	1,211	1,647
(f) Depreciation and amortisation expense	1,477	1,400	1,401	4,283	3,991	5,420
(g) Other expenses	10,157	9,037	11,916	29,565	37,871	50,340
Total Expenses	42,135	44,053	53,068	1,31,796	1,50,750	2,01,797
Profit before tax	3,436	2,424	5,228	8,489	11,323	14,671

Financials



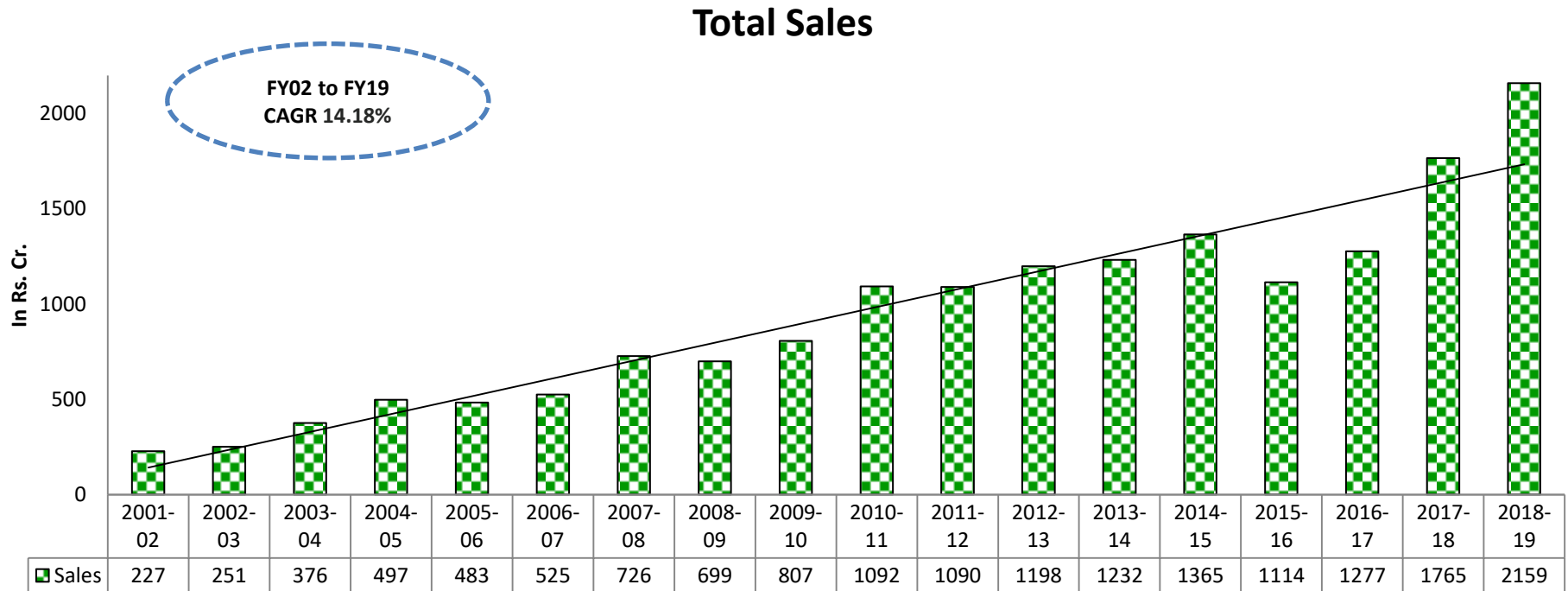
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Particulars	Quarter ended			Period ended		(% to Sales) Year ended
	31-Dec-19	30-Sep-19	31-Dec-18	31-Dec-19	31-Dec-18	31-Mar-19
Material Cost	61.1	65.8	63.5	63.7	62.2	62.5
Power Cost	5.9	5.6	6.0	5.7	7.1	6.8
Employee benefits expense	5.0	5.5	3.9	5.1	4.3	4.3
Finance Cost	0.9	1.1	0.8	1.0	0.7	0.8
Profit before tax	7.5	5.2	9.0	6.1	7.0	6.8
Profit after tax	5.1	2.8	5.9	3.9	4.4	4.5
EBITDA	11.7	9.3	12.2	10.1	10.2	10.1

Financials



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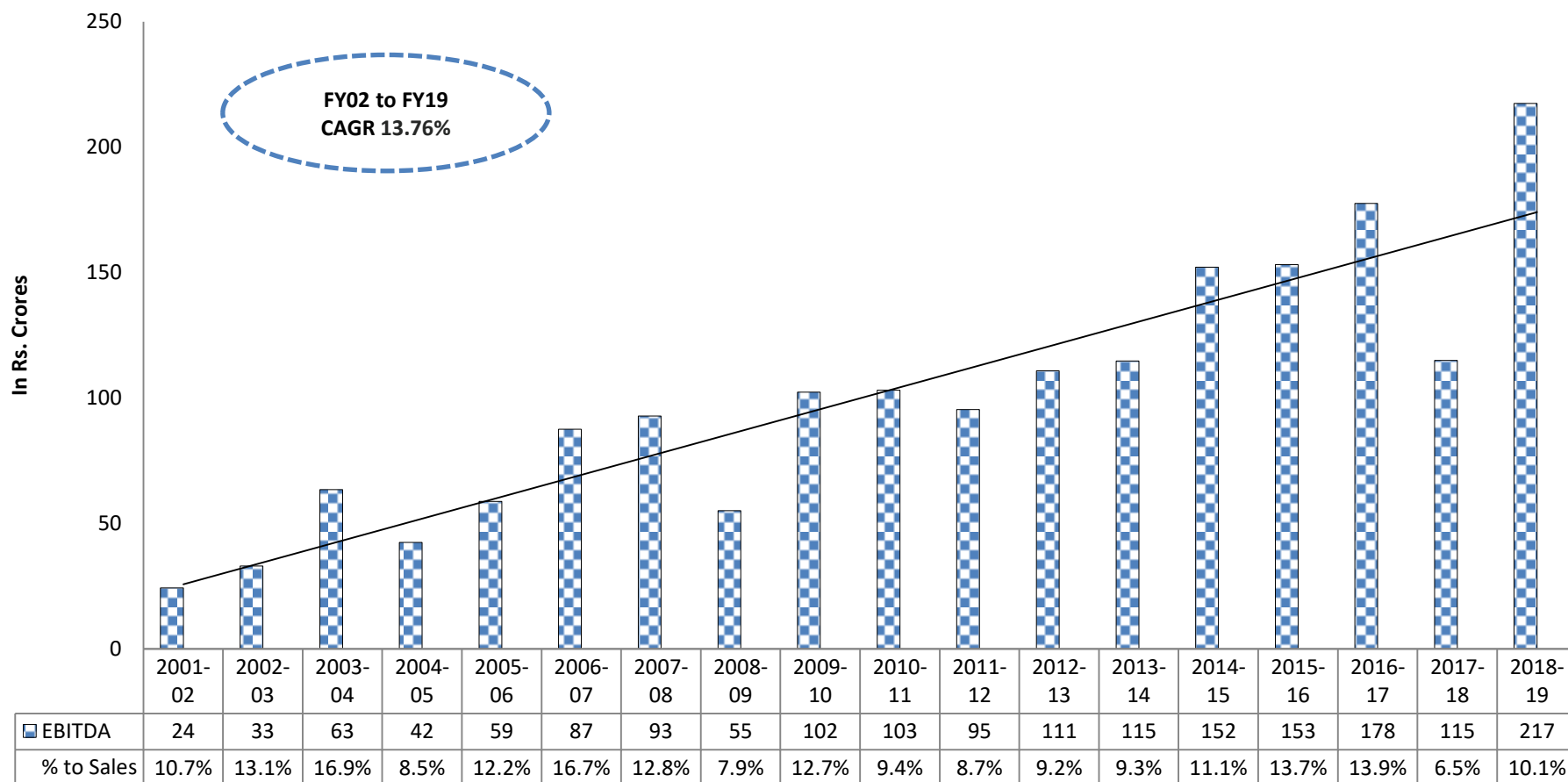


“KFIL has grown from Rs.227 Cr to Rs.2159 Cr business in last 18 years”

Financials



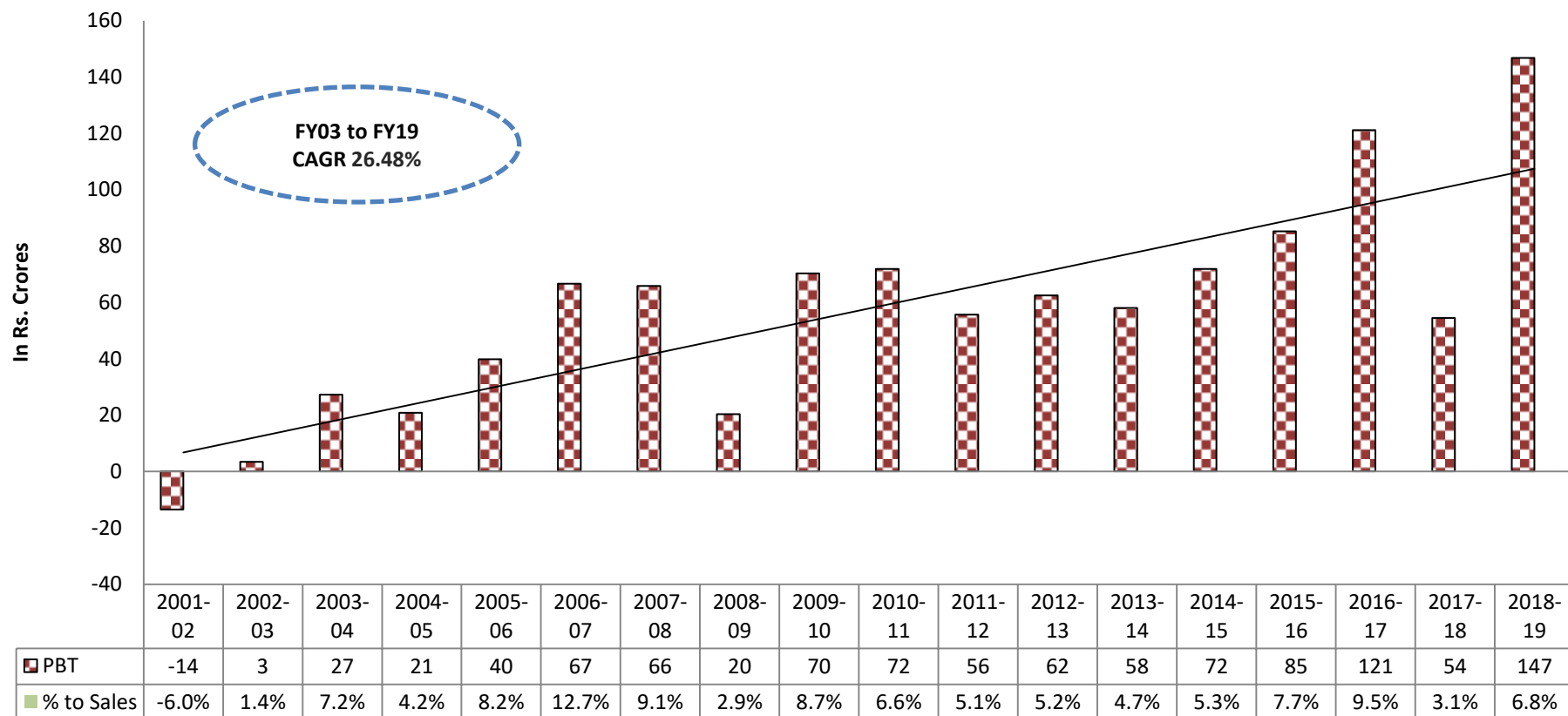
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Financials



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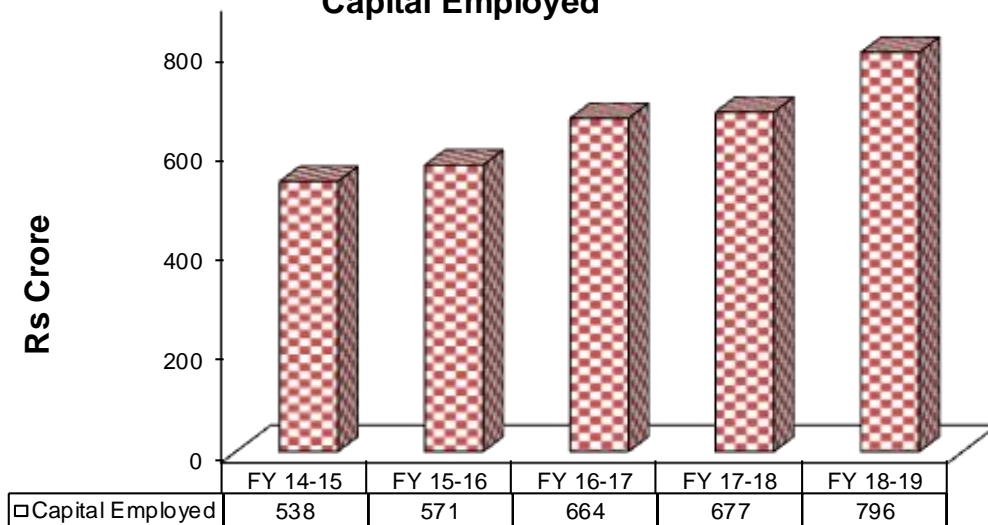


Financials

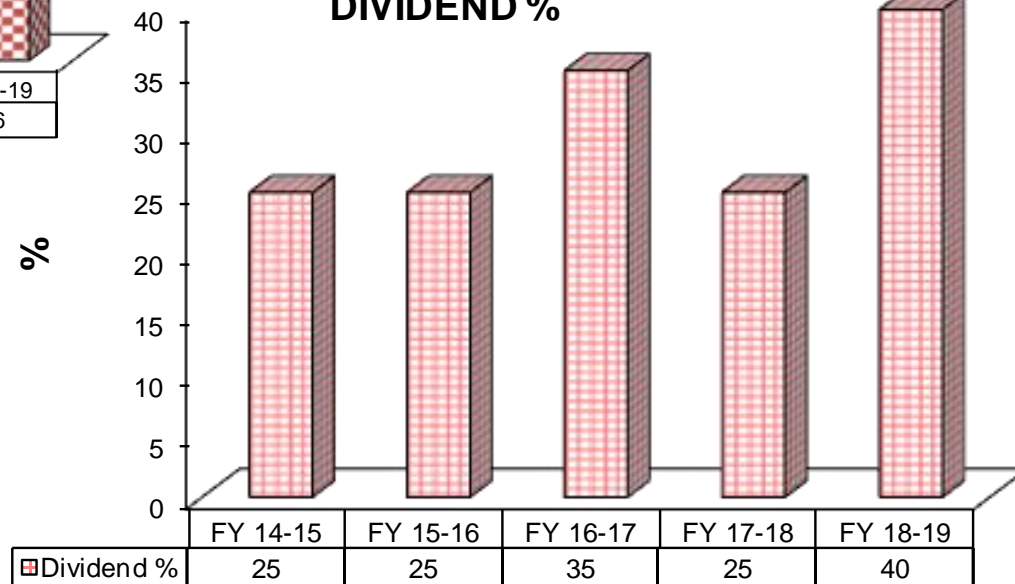


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Capital Employed



DIVIDEND %



Top 20 Investors and their holdings

(As on 31-Dec-2019)



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SI	Name of Shareholder	%		
		31-Dec-19	30-Sep-19	31-Dec-18
1	Promoters and Promoters Group	59.38	59.41	59.56
2	HDFC Small Cap Fund	5.81	4.63	3.15
3	DSP Blackrock Micro Cap Fund	3.24	2.55	2.56
4	Arun Nahar	1.97	1.97	1.98
5	IDFC Tax Advantage (Elss) Fund	1.36	1.35	0.93
6	IDFC Sterling Value Fund	1.11	1.11	-
7	Investor Education & Protection Fund	1.20	1.08	1.08
8	Jagdish Amritlal Shah	0.93	0.93	1.02
9	SBI Magnum Comma Fund	0.69	0.69	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	0.31	0.31
14	Diana Dhun Ratnagar	0.30	0.30	0.30
15	Principal Small Cap Fund	0.23	0.23	-
16	Ajay Gvondas Saraf	0.20	0.20	0.20
17	Ravindranath Venkatesh Gumaste	0.19	0.19	-
18	Ninu S Khanna	0.17	-	0.17
19	Vikram Advisory Services Pvt Ltd	0.16	-	-
20	Sundaram Mutual Fund	0.16	-	-
Total		78.76	76.30	73.28



Update on Major Projects

Capex outlay



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Proposed capex outlay for major projects from the FY 2020-21 to FY 2021-22 is estimated at around Rs.600 Crores towards backward integration for the Pig Iron & Casting, machining shop for value addition and balancing equipments in foundry to achieve capacity utilisation.

0.2 MTPA Coke oven with 20 MW Power Plant

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.



Actual Site Photos

Estimated timeline for completion : FY 2019- 20

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



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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



Estimated timeline for completion : FY2021-22

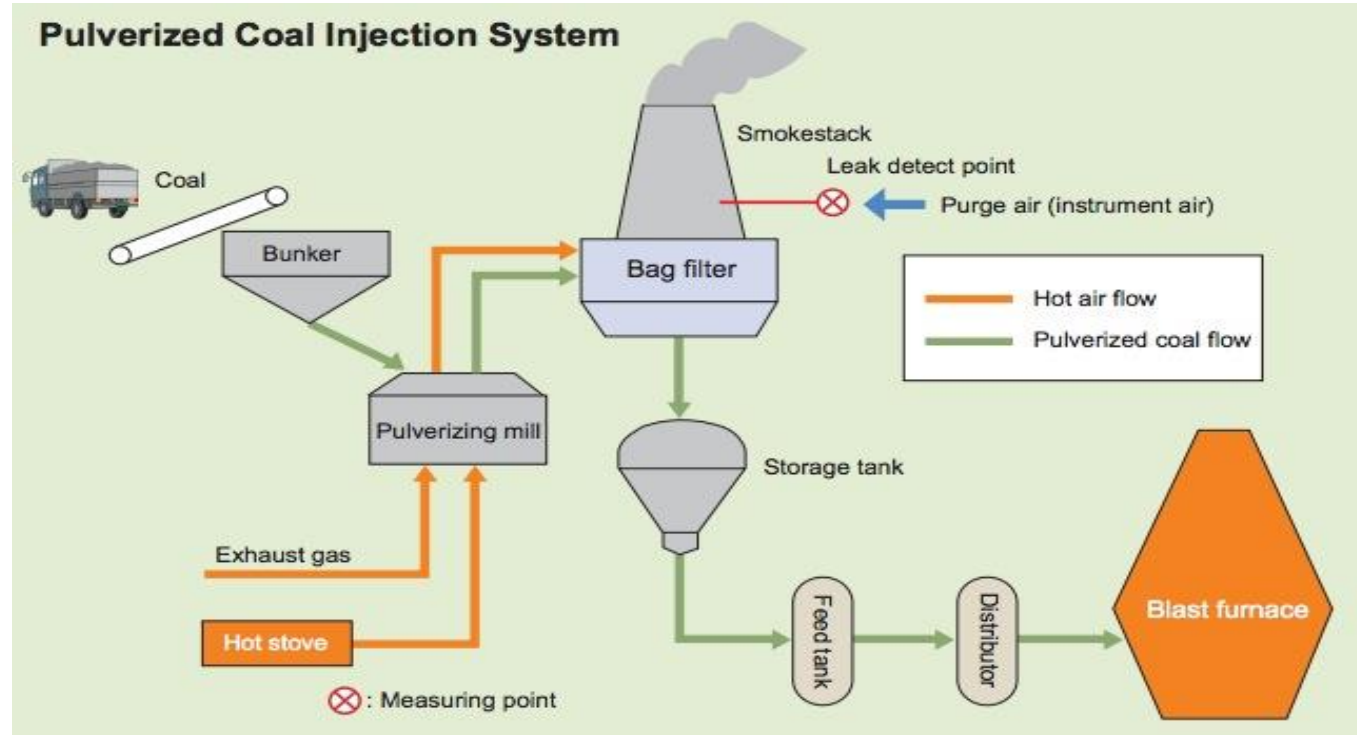
Pulverized Coal Injection



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Objective :

Reduction in Coke Consumption



Estimated timeline for completion : FY 2021-22

Awards - FY2019-20



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



Award from VECV in New Product Development category for faster development



“SUPERIOR PERFORMANCE FY-2019” Award from Mahindra



“National Energy Conservation award” from Ministry of Power, Government of India

Awards - FY2019-20



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“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

Disclaimer



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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.



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Thank you