



Enriching Lives

Kirloskar Ferrous Industries Limited

Investor Presentation

Quarter IV

FY2020-21

Kirloskar Ferrous Industries Limited



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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

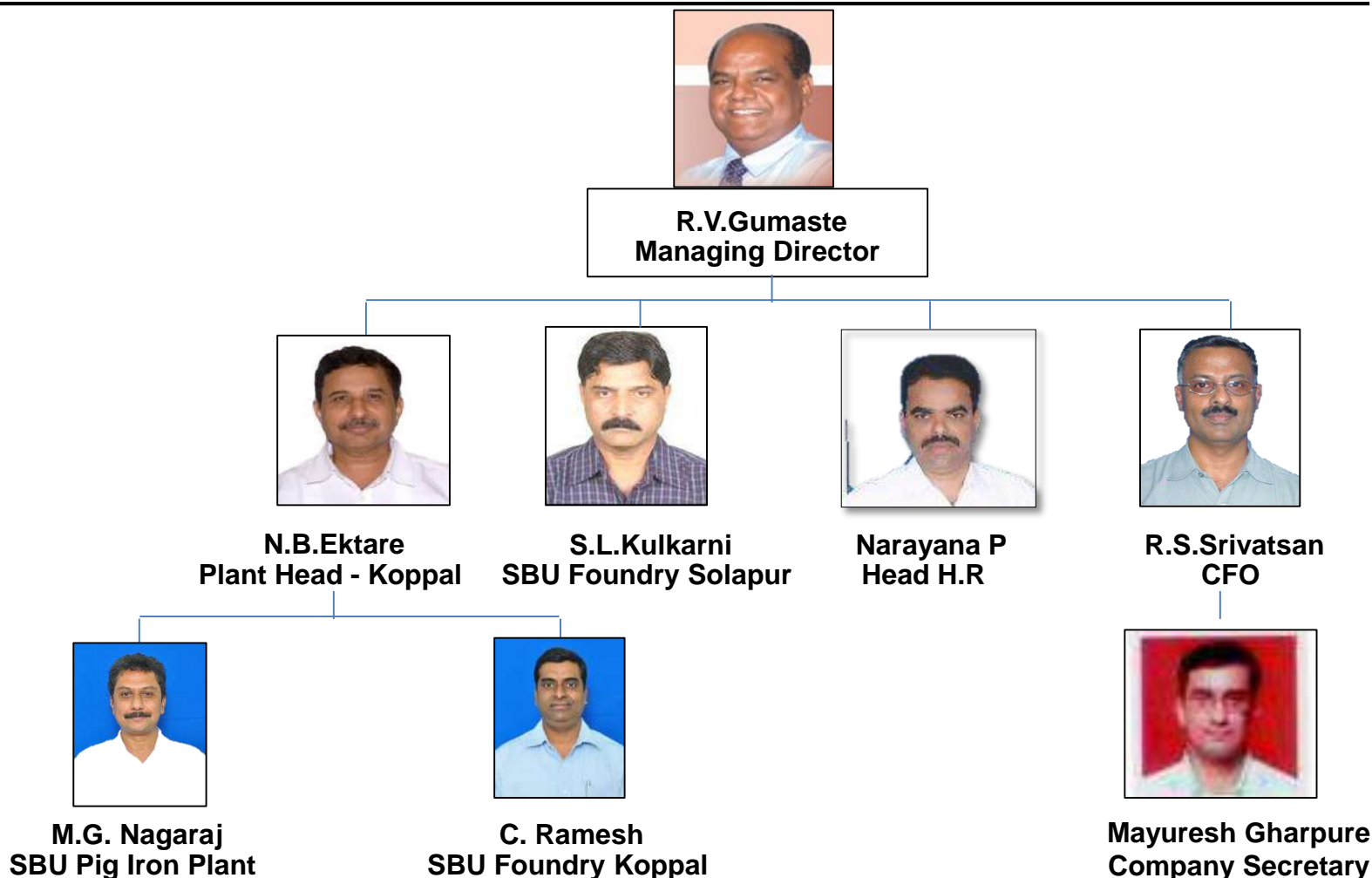
Top 20 Investors

Update on Major Projects

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 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

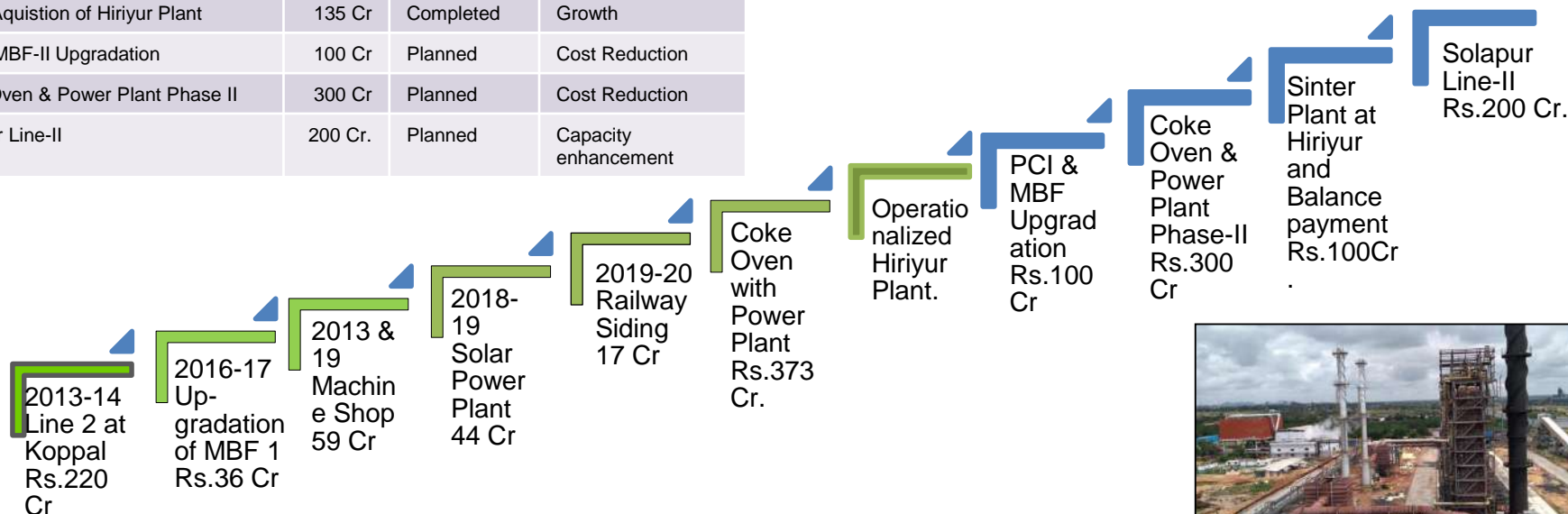
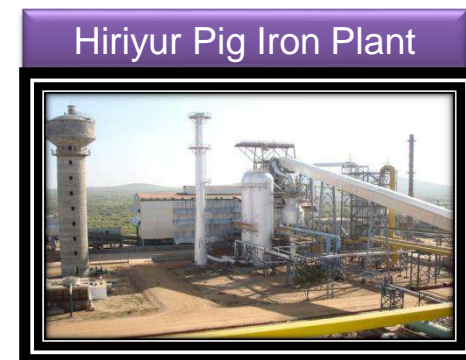
Be bold and brave. And stay relevant

KFIL – Capex 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	Value addition & Growth
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 Acquisition of Hiriyur Plant	135 Cr	Completed	Growth
PCI & MBF-II Upgradation	100 Cr	Planned	Cost Reduction
Coke Oven & Power Plant Phase II	300 Cr	Planned	Cost Reduction
Solapur Line-II	200 Cr.	Planned	Capacity enhancement



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

Our Business



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

Pig iron - Capacity-5,41,400 MT

Casting - Capacity-1,14,000 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 1,44,000 MT.

Our Products



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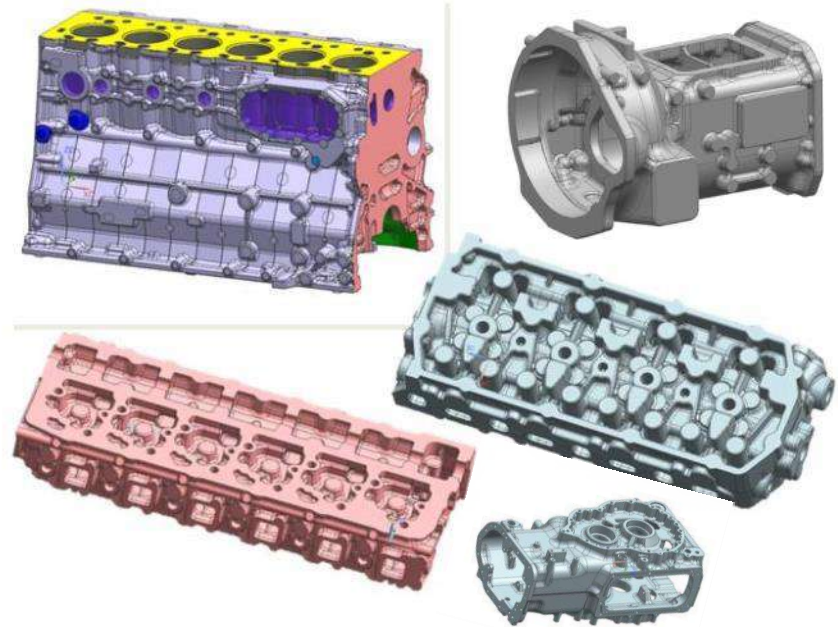
CASTINGS

Water-jacketed
Blocks

Non Water-
jacketed Blocks

Cylinder Heads

Housings



PIG IRON

Foundry Grade

S. G. Grade

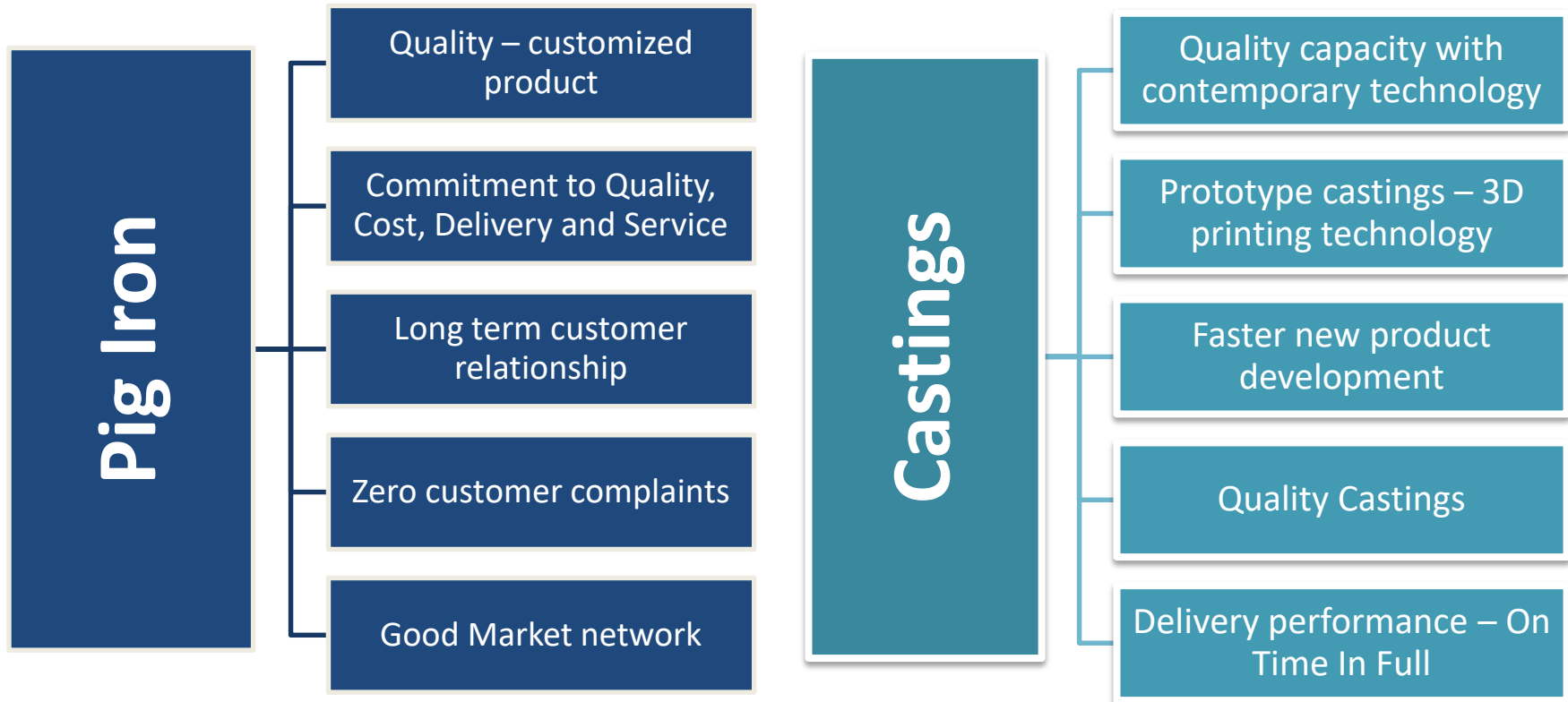
Basic Grade



Competitive edge



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- 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 – 19% for KFIL castings
- Rating of AC Nielsen – Customer Satisfaction Survey report for Casting business shows Eq Index of 88

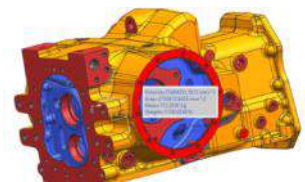
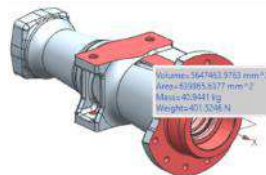
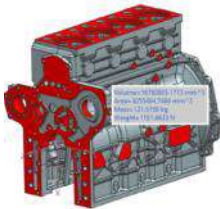
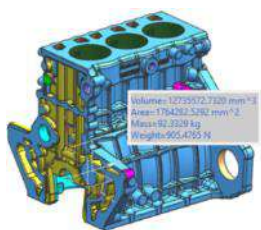
Prototype Castings



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



In-house Proto Machining capability established and Proto type Orders – Average 4 Projects per month

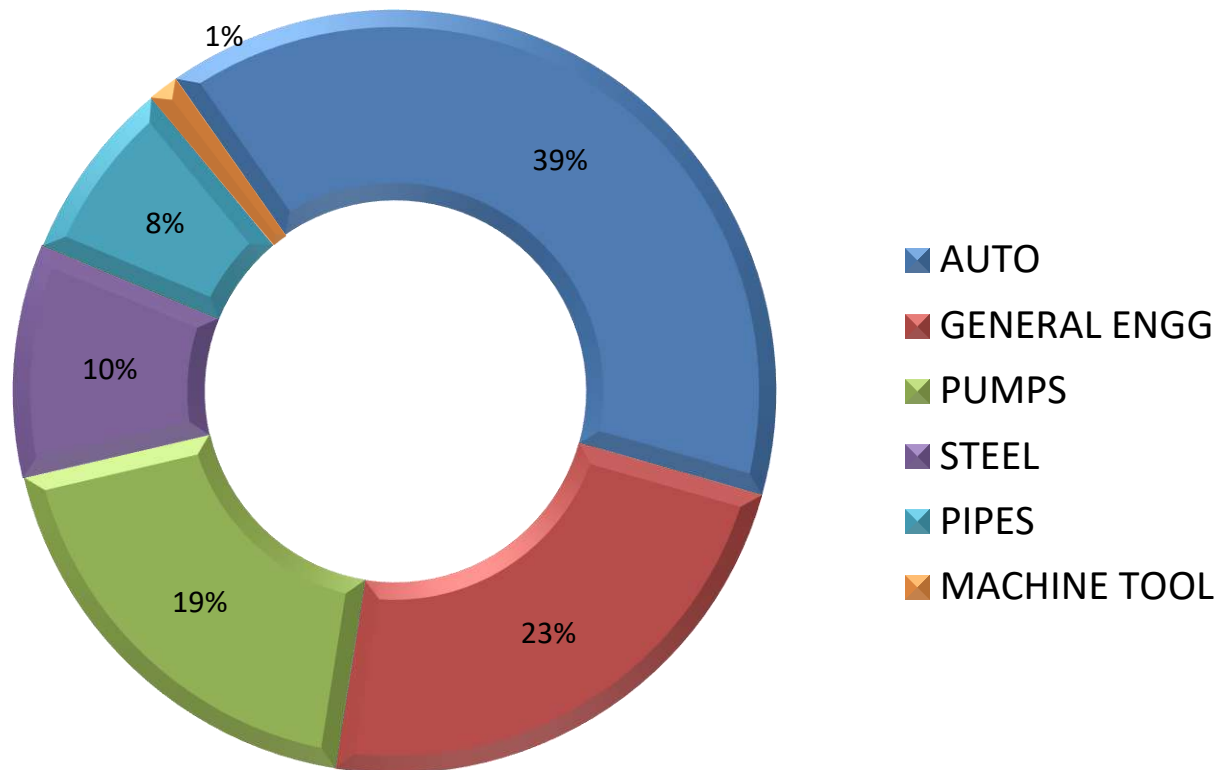
First SG iron Proto casting produced within 11 days



End use profile – Pig Iron Business



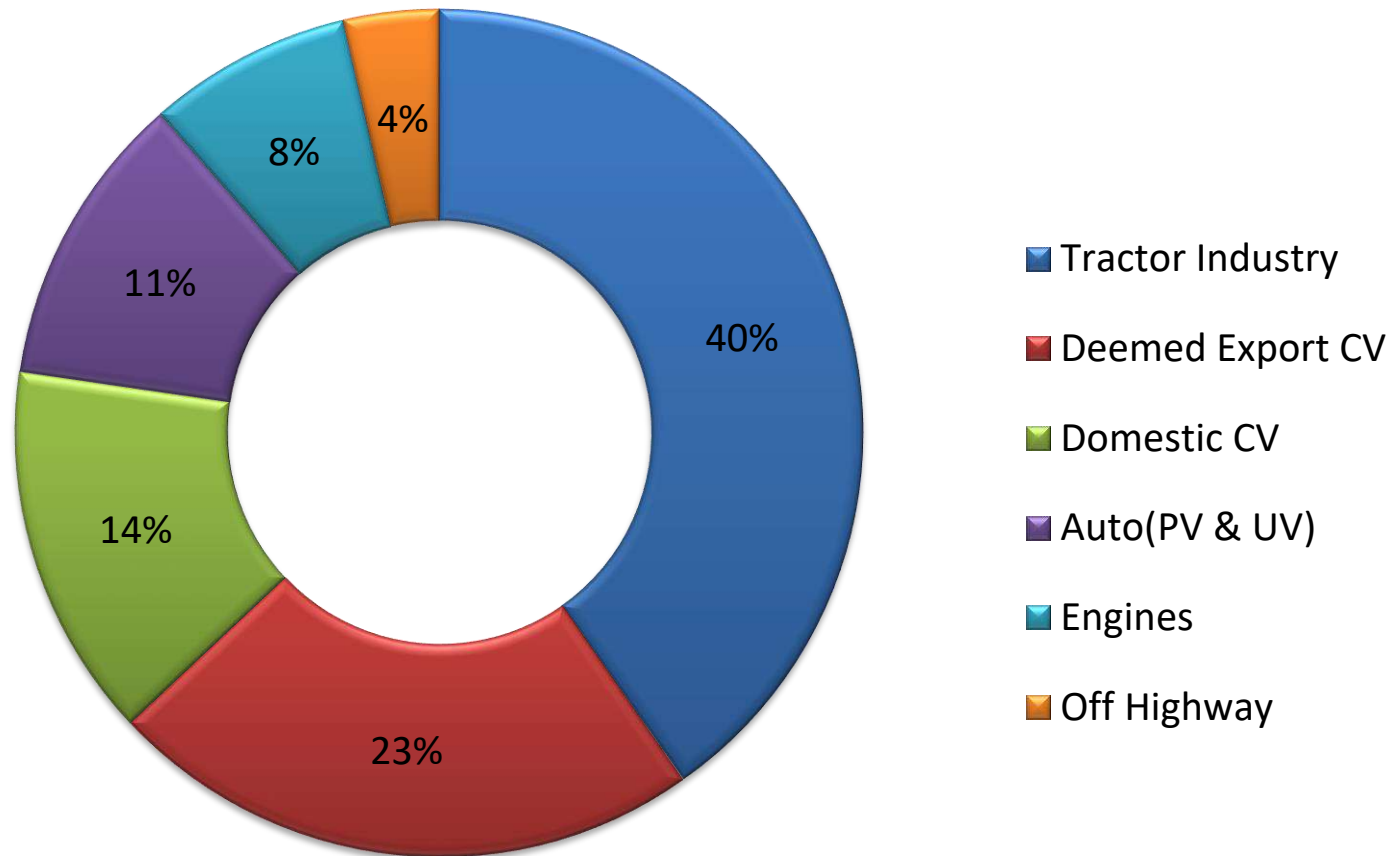
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End use profile - Castings



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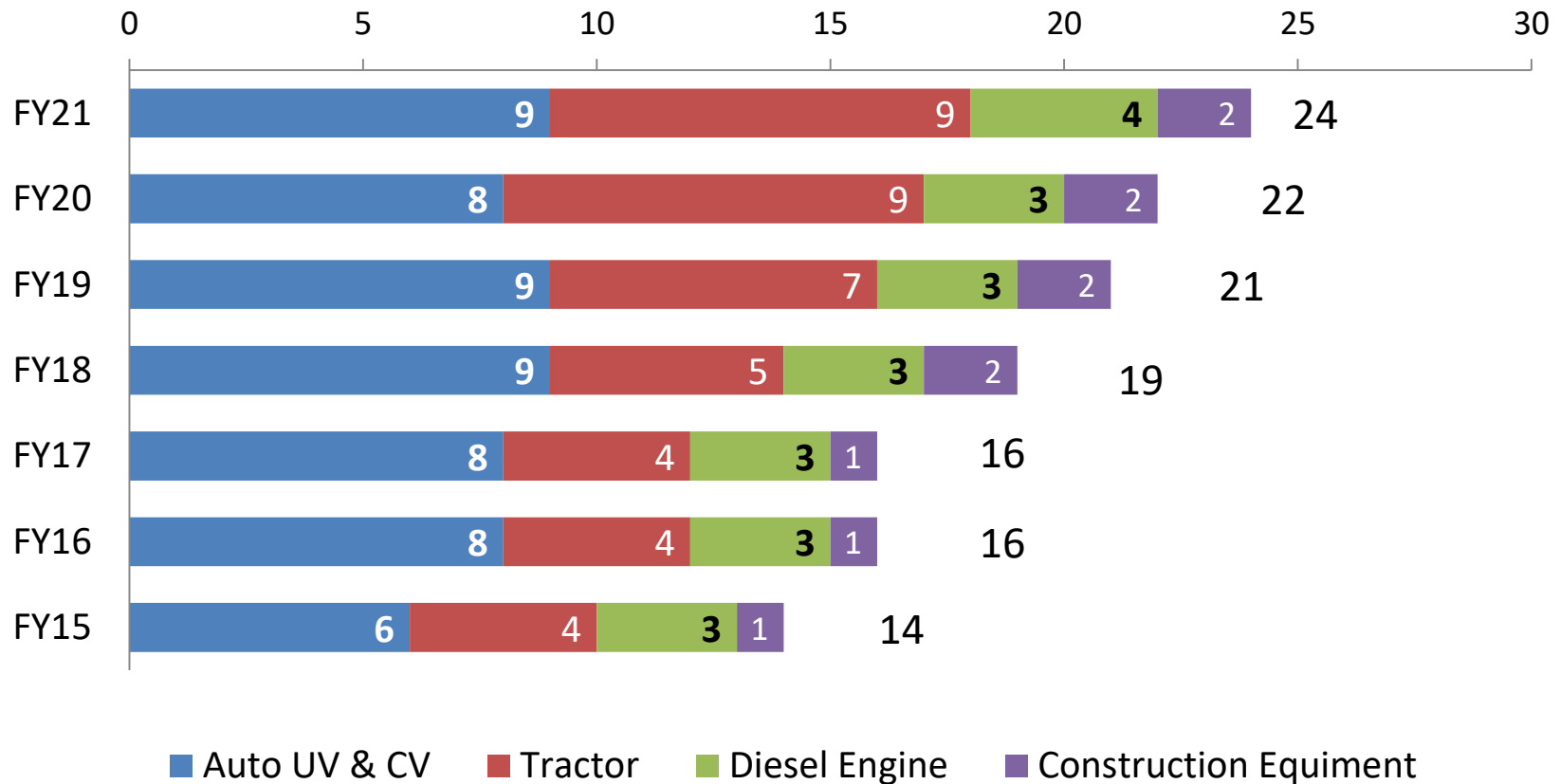


Casting Customer Base



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Customer Addition



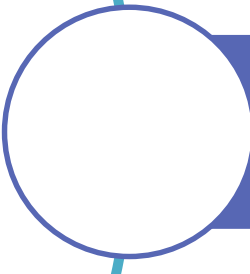
Update - Castings



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Demand for the casting is strong from all the sectors



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



Company scaled up production by removing the bottlenecks and optimized load distribution between the 3 moulding lines

Update - Pig Iron



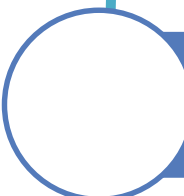
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Pig Iron plant is operating at full capacity



Iron Ore Mines – produced 98694 MT of ore from Kirloskar Bharat mine and in process to renew the clearance from forest department.



Company is in process to obtain clearances from government for operating another mine.



Stabilized operations of pig iron plant at newly acquired VSL Steel Ltd situated at Paramenahally Village, Hiriyr Tq., Chitradurga Dist. Karnataka in the fourth quarter.



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Financials



Highlights – Q4 2020-21

Sales of Rs.749 Crores in Q4 2020-21. An increase of 67% w.r.t. previous year Q4

EBITDA of Rs.197 Crores (26.3% of Sales) in Q4 2020-21

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

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



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Particulars	Rs. In Crores				
	Quarter Ended			Year Ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
	Audited	Unaudited	Audited	Audited	Audited
Revenue from Operations	749	590	448	2,038	1,850
Other Income	1	1	14	3	16
Total income (1+2)	750	591	462	2,041	1,865
Expenses					
(a) Cost of Materials consumed	389	292	251	1,049	1,131
(b) Purchase of stock-in-trade	-	-	-	-	-
(c) Changes in inventories of finished goods, Stock-in - Trade and work-in-progress	(6)	(1)	(12)	3	2
(d) Employee benefits expense	27	36	24	107	96
(e) Finance costs	6	6	3	25	17
(f) Depreciation and amortisation	20	19	15	76	58
(g) Other expenses	143	118	109	418	405
Total Expenses	579	471	391	1,678	1,709
Profit Before tax	171	120	71	363	156
Profit After tax	135	118	57	302	112
EBITDA	197	145	89	464	231

Financials



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Particulars	% to Sales				
	Quarter Ended			Year Ended	
	31-Mar-21	31-Dec-20	31-Mar-20	31-Mar-21	31-Mar-20
Material Costs	51.2%	49.3%	53.5%	51.6%	61.3%
Power Costs	3.1%	3.5%	6.5%	4.0%	5.9%
Employee Benefit Expenses	3.6%	6.1%	5.4%	5.2%	5.2%
Finance Costs	0.8%	1.1%	0.7%	1.2%	0.9%
Profit Before Tax	22.8%	20.3%	15.9%	17.8%	8.4%
Profit After Tax	18.1%	20.1%	12.8%	14.8%	6.1%
EBITDA	26.3%	24.6%	19.9%	22.8%	12.5%

Top 20 Investors and their holdings

(As on 31-March-2021)



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Sr. No.	Name of Shareholders	%		
		Mar-21	Dec-20	Mar-20
1	PROMOTER AND PROMOTER GROUP	59.11	59.25	59.34
2	HDFC SMALL CAP FUND	6.45	6.47	6.24
3	DSP SMALL CAP FUND	3.33	3.33	3.23
4	ARUN NAHAR	2.23	2.16	2.10
5	IDFC TAX ADVANTAGE (ELSS) FUND	1.59	1.59	1.45
6	IDFC STERLING VALUE FUND	1.41	1.37	1.16
7	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	1.30	1.30	1.20
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	0.46	0.28
11	SHAUNAK JAGDISH SHAH	0.39	0.42	0.42
12	BEAUTIFUL DIAMONDS LTD	0.36	0.36	0.36
13	VIKRAM ADVISORY SERVICES PRIVATE LIMITED	0.32	0.32	0.18
14	ZAFAR AHMADULLAH	0.30	0.30	0.30
15	DIANA DHUN RATNAGAR	0.30	0.30	0.30
16	QUEST INVESTMENT ADVISORS PRIVATE LIMITED	0.26	0.20	-
17	AJAY GOVINDAS SARAF	0.20	0.20	0.20
18	VIKRAM CHUNUBHAI SHAH	0.18	0.16	0.10
19	PRINCIPLE SMALL CAP FUND	0.16	0.16	0.22
20	PRESCIENT WEALTH MANAGEMENT PRIVATE LIMITED	0.16	0.16	0.16
21	GOVIND LAL GILADA	0.15	0.15	-
	TOTAL	80.14	80.14	78.72



Update on Major Projects

Proposed Capex outlay for major projects from the FY 2021-22 to FY 2023-24 is estimated at around Rs.1100 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
- Sinter Plant commissioning at Hiriyur plant.

Casting

Focus: Value Additions& Capacity Enhancement

- Machining capacity enhancement
- Casting capacity enhancement / de-bottlenecking
- Fettling & Finishing capacity enhancement
- Automation Projects
- New moulding line at Solapur foundry

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



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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

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



Projected timeline for completion : FY2021-22

Machining capacity enhancement



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Objective :

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



Pulverized Coal Injection



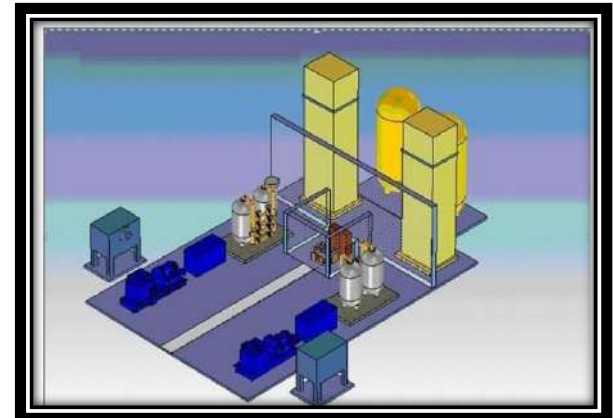
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Objective :

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



Sinter Plant at Hiriyur



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Objective :

1. Cost Reduction:

- To Reduce coke consumption with better furnace productivity transpired into cost benefits.



Projected timeline for completion : FY 2021-22

Expansion of Fettling & Finishing capacity



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Objective :

Expansion of Fettling & finishing capacity



New Foundry Line at Solapur

Objective :

HIGH PRESSURE MOULD LINE-4:

- Establishing a New foundry to cater increasing customer demand
- To ensure the guarantee of availability of castings even during peak period
- Increased Water Jacket block demand
- To cater the potential business opportunity in auto sector like Ford, Maruti



Solapur Foundry

Projected timeline for completion : FY 2022-23

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