



Enriching Lives

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# **Kirloskar Ferrous Industries Limited**

Investor Presentation  
October 30, 2020



Leadership Team

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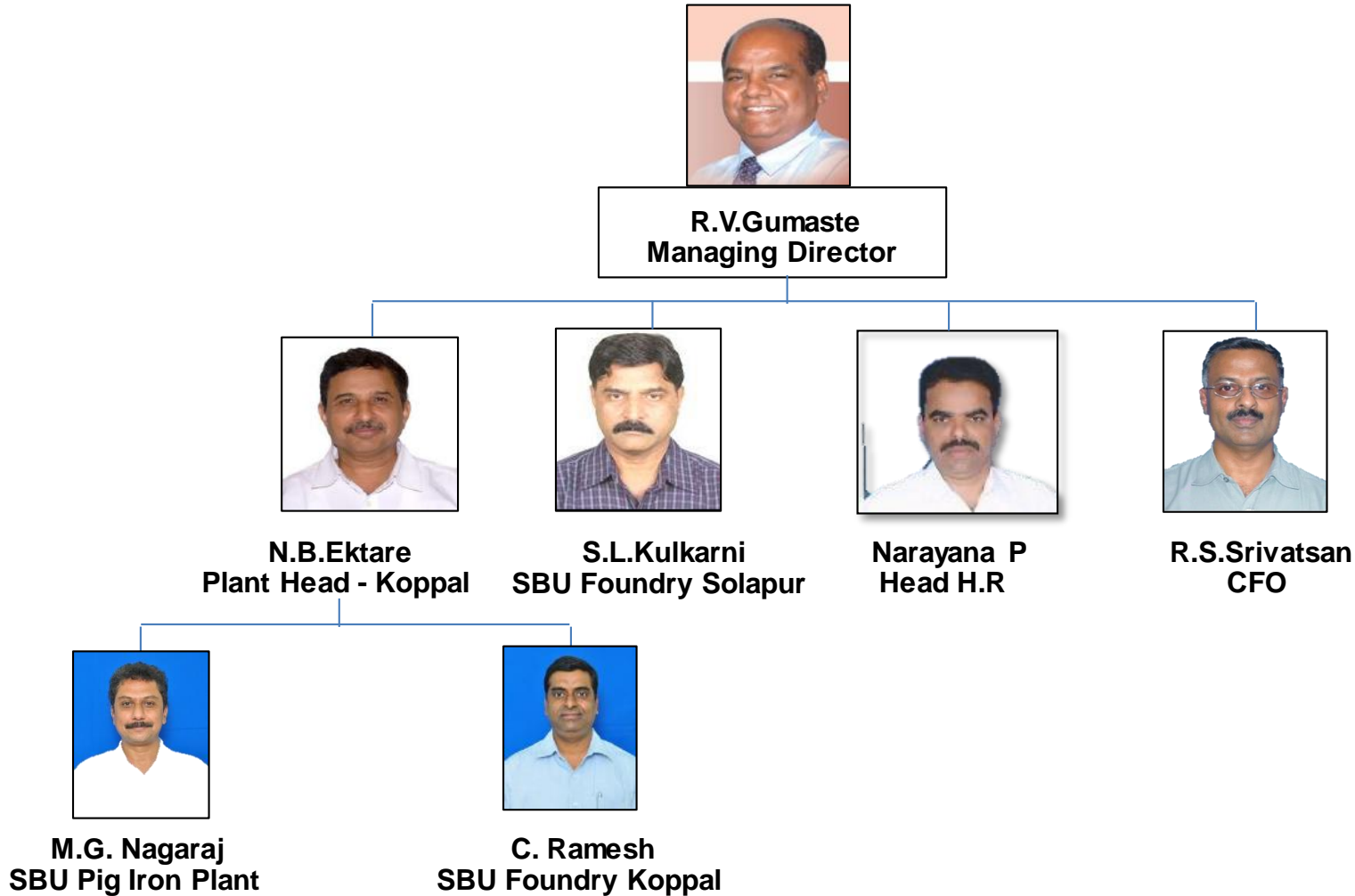
Update on Major Projects

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 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

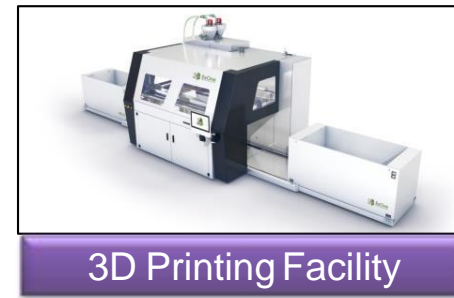
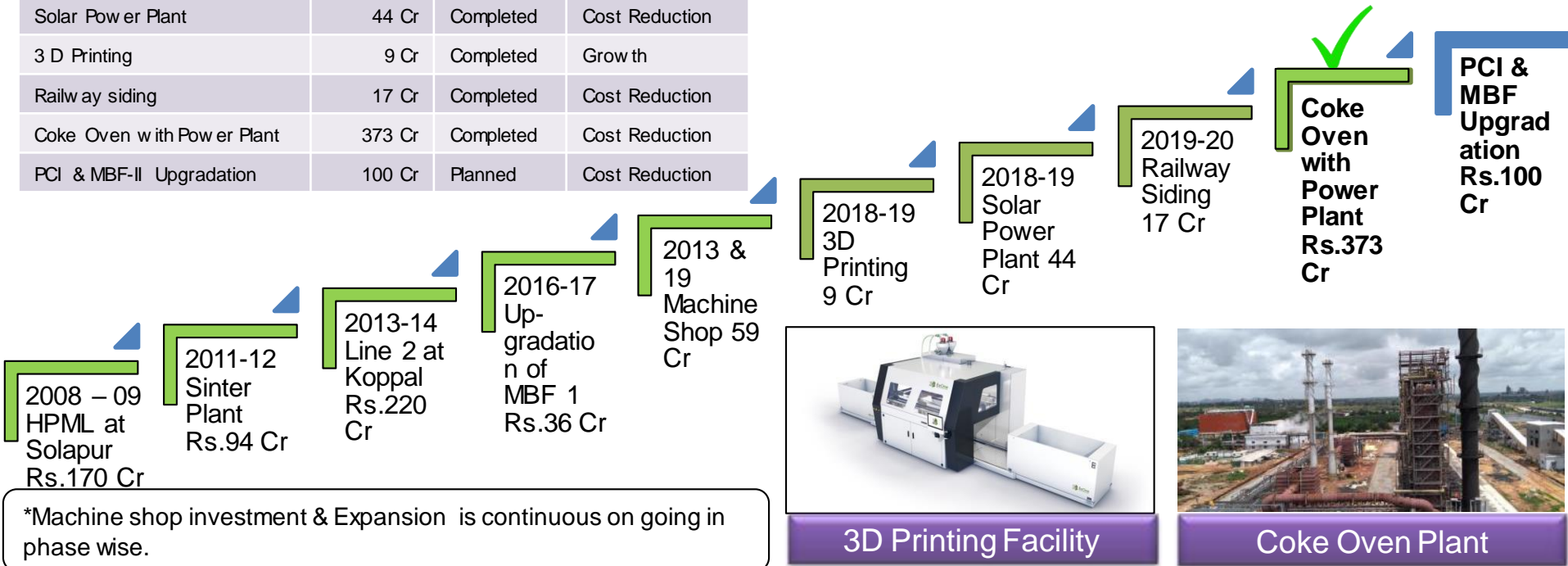
- ❖ Customer Centricity
- ❖ Integrity
- ❖ Fairness & Partnership  
Development
- ❖ Mutual Trust & Team  
Work
- ❖ Agility with Discipline

# KFIL - Progress and Plan



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Projects	Investment	Status	Motive
2 New Foundries	390 Cr	Completed	Grow th
2 New Machine Shops *	59 Cr *	Completed	Value addition & Grow th
Sinter Plant	94 Cr	Completed	Grow th & Cost reduction
MBF-I Upgradation	36 Cr	Completed	Grow th
Solar Power Plant	44 Cr	Completed	Cost Reduction
3 D Printing	9 Cr	Completed	Grow th
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



\*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 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



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## CASTINGS

Water-jacketed Blocks

Non Water-jacketed Blocks

Cylinder Heads

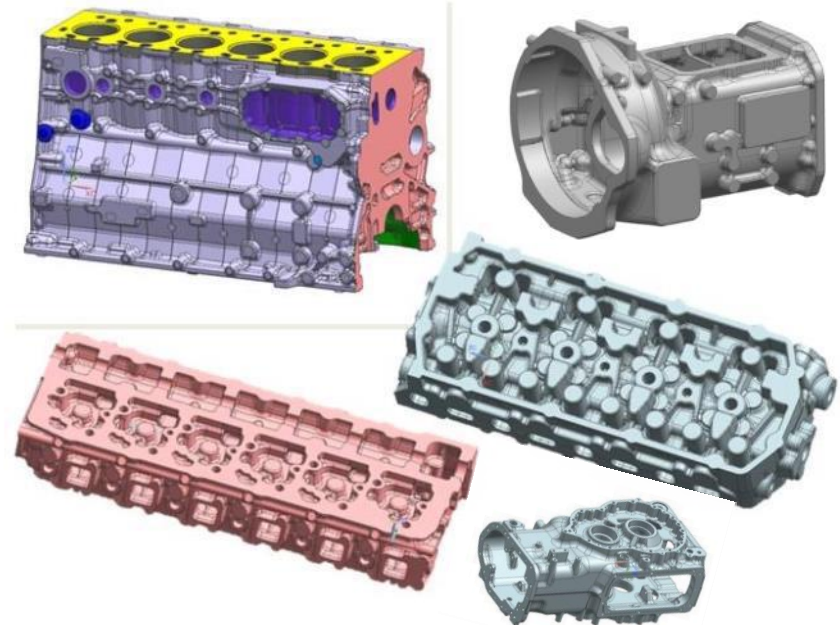
Housings

## PIG IRON

Foundry Grade

S. G. Grade

Basic Grade



# Executive Summary – FY 2019-20



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KFIL achieved 496<sup>th</sup> 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 – Q2 2020-21



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Sales of Rs.486.24 Crores in Q2 2020-21

EBITDA of Rs.110.20 Crores (22.7% of Sales) in Q2 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 and Power Plant is operating at 75% of the installed capacity.

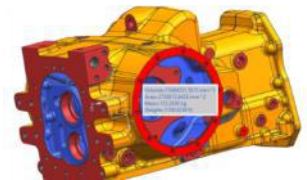
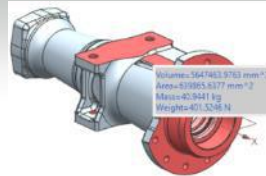
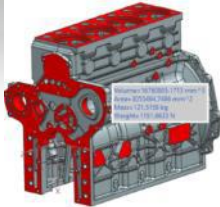
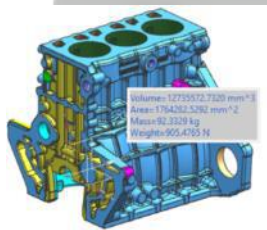
# Executive Summary - Prototype Castings



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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 5 Projects per month**

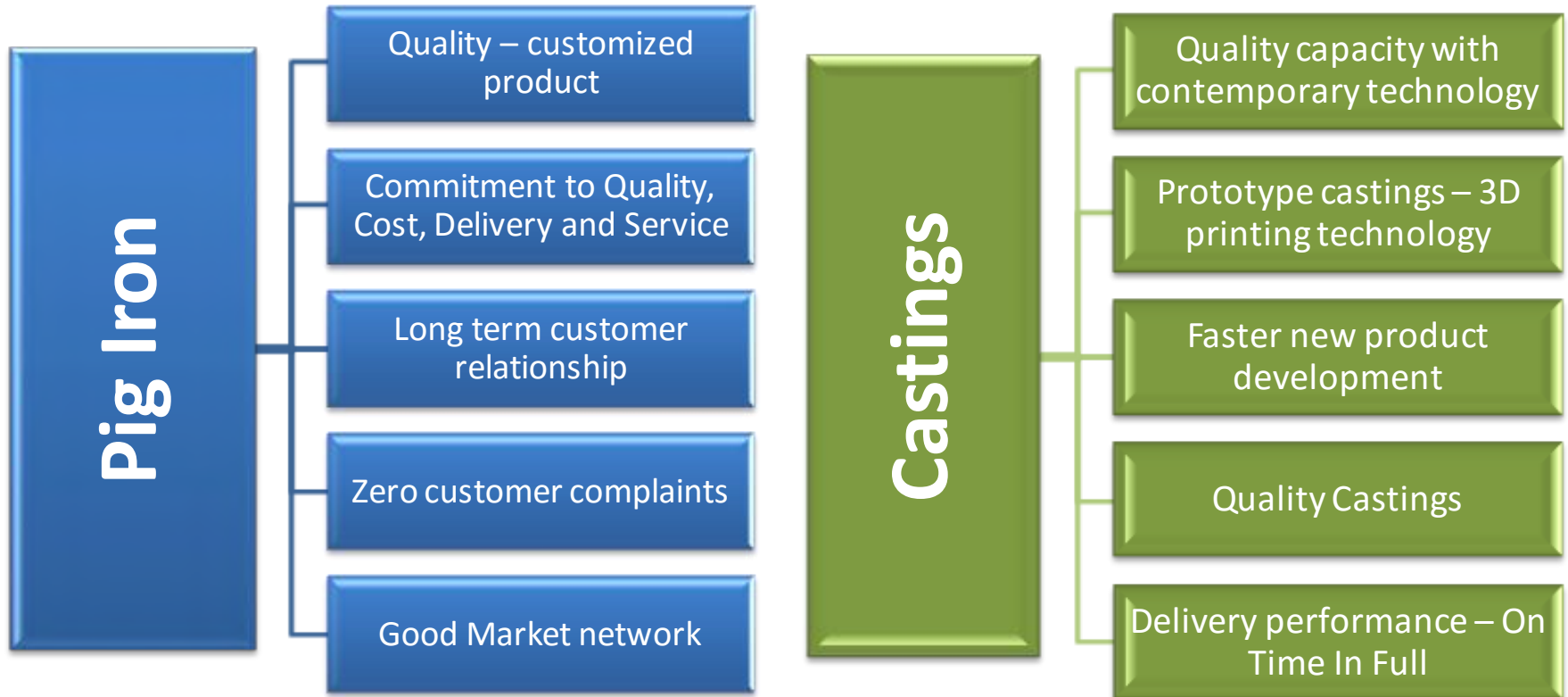
**First SG iron Proto casting produced within 11 days**



# 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

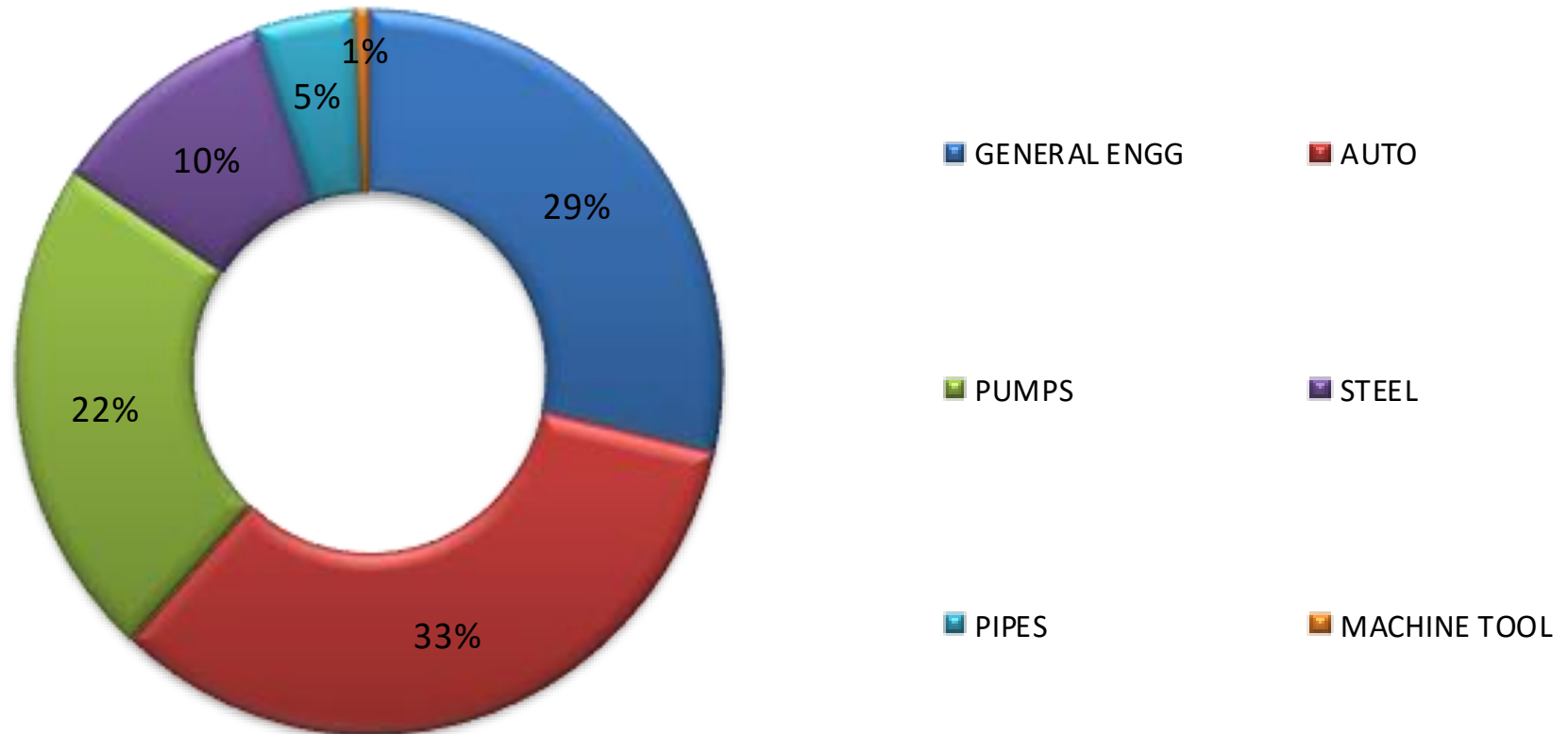
- Market share – 22% for KFIL castings  
- Rating of AC Nielsen – Customer Satisfaction Survey report for Casting business shows Eq Index of 88

# End use profile – Pig Iron



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## Pig Iron

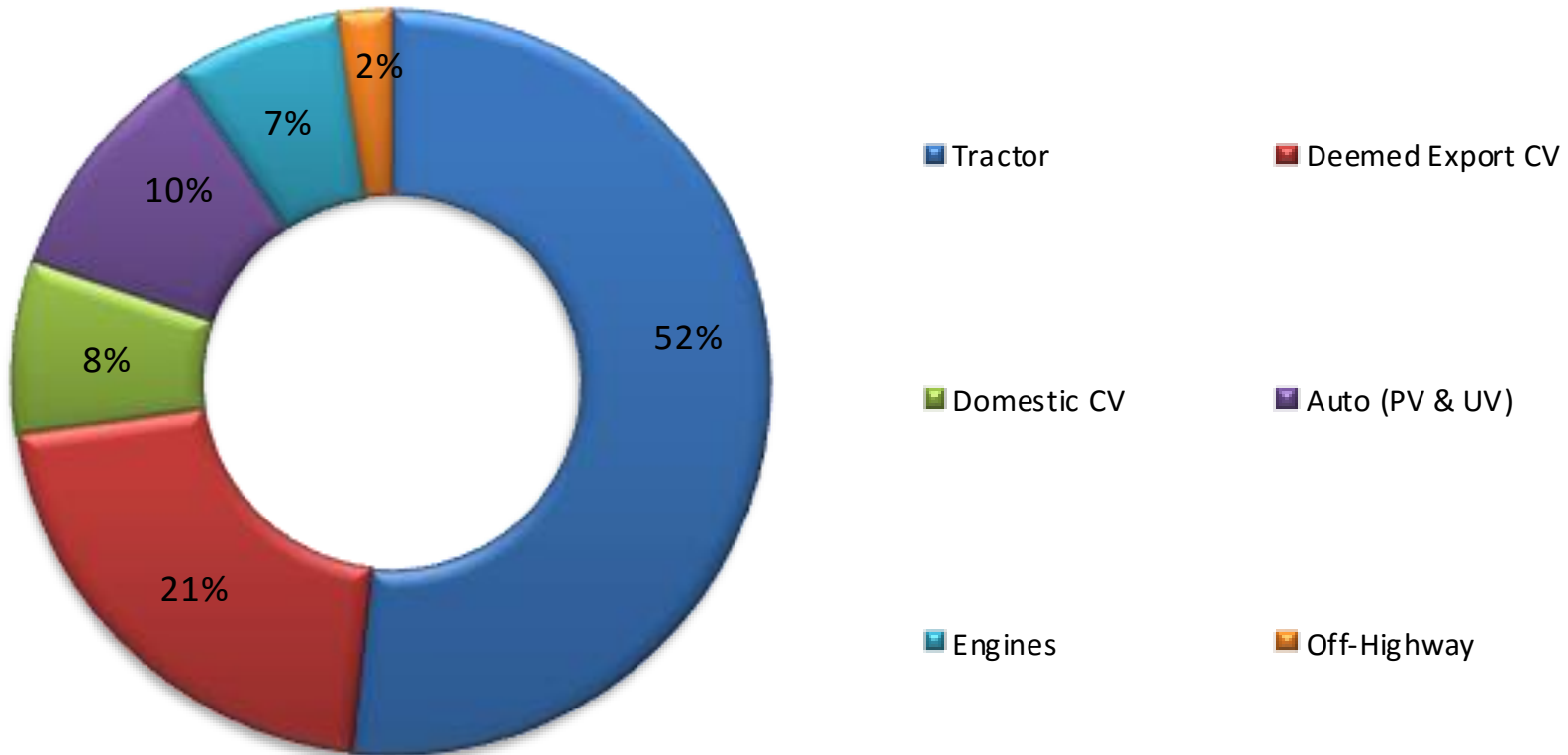


# End use profile - Castings



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## Castings

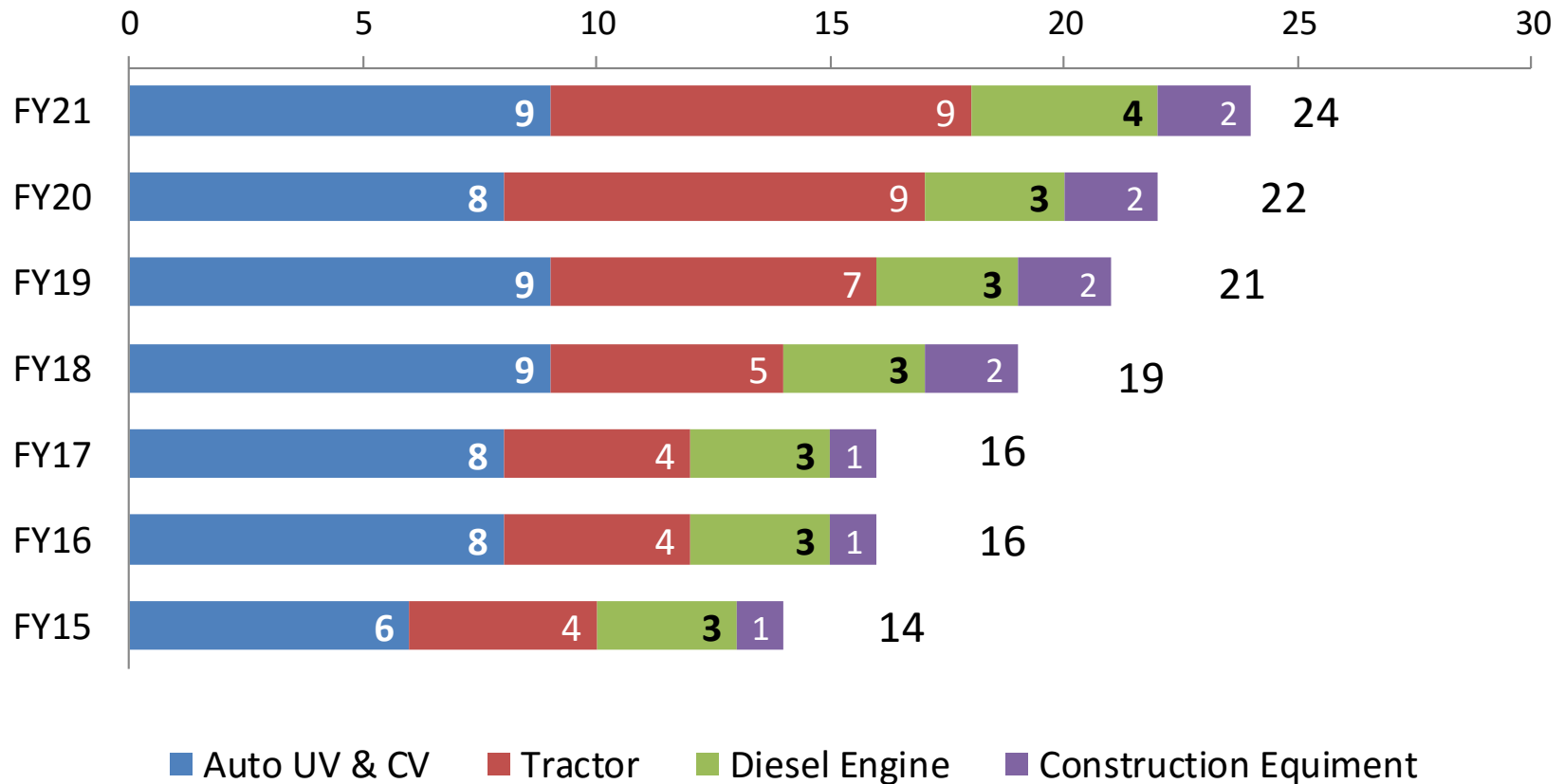


# Casting Customer Base



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## Customer Addition



# Update - Castings



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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 from all sectors

# Update - Pig Iron



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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, Hiriyr Tq., Chitradurga Dist. Karnataka is in Progress





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# Financials

# Financials



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Rs. In Crores

Particulars	Quarter Ended			Period Ended		Year Ended
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
Revenue from Operations	486.24	213.04	464.24	699.28	946.23	1,849.66
Other Income	0.67	0.61	1.50	1.28	1.65	15.64
<b>Total income (1+2)</b>	<b>486.91</b>	<b>213.65</b>	<b>465.74</b>	<b>700.56</b>	<b>947.88</b>	<b>1,865.30</b>
<b>Expenses</b>						
(a) Cost of Materials consumed	250.78	116.85	289.62	367.63	608.24	1,131.40
(b) Purchase of stock-in-trade	-	-	-	-	-	-
(c) Changes in inventories of finished goods, Stock-in - Trade and work-in-progress	0.93	9.58	16.04	10.51	7.02	1.67
(d) Employee benefits expense	24.16	19.55	25.45	43.71	49.26	96.40
(e) Finance costs	6.43	6.82	5.05	13.25	9.95	17.26
(f) Depreciation and amortisation expense	19.02	17.65	14.00	36.67	28.06	57.51
(g) Other expenses	100.84	55.51	91.34	156.35	194.82	404.88
<b>Total Expenses</b>	<b>402.16</b>	<b>225.96</b>	<b>441.50</b>	<b>628.12</b>	<b>897.35</b>	<b>1,709.12</b>
<b>Profit Before tax</b>	<b>84.75</b>	<b>-12.31</b>	<b>24.24</b>	<b>72.44</b>	<b>50.53</b>	<b>156.18</b>

# Financials

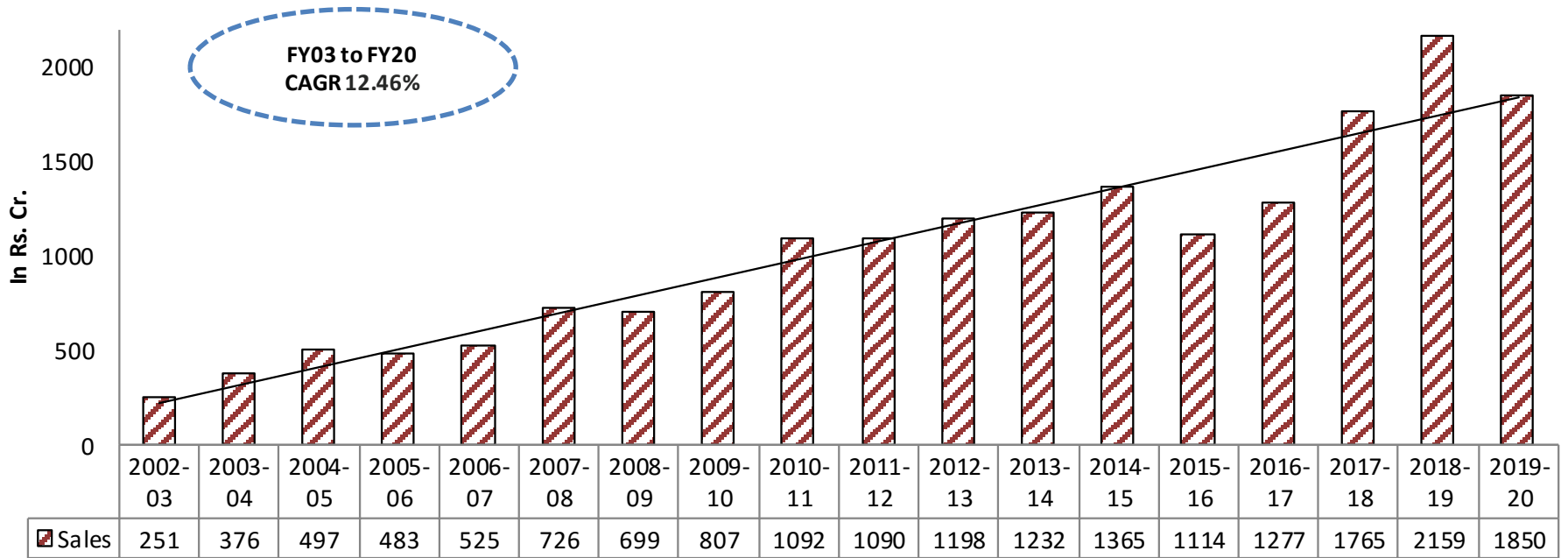


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## % to Sales

Particulars	Quarter Ended			Period Ended		Year ended
	30-Sep-20	30-Jun-20	30-Sep-19	30-Sep-20	30-Sep-19	31-Mar-20
Material Costs	51.8%	59.3%	65.8%	54.1%	65.0%	61.3%
Power Costs	4.5%	7.2%	5.6%	5.3%	5.6%	5.9%
Employee Benefit Expenses	5.0%	9.2%	5.5%	6.3%	5.2%	5.2%
Finance Costs	1.3%	3.2%	1.1%	1.9%	1.1%	0.9%
Profit Before Tax	17.4%	-5.8%	5.2%	10.4%	5.3%	8.4%
Profit After Tax	13.5%	-8.0%	2.8%	6.9%	3.3%	6.1%
EBITDA	22.7%	5.7%	9.3%	17.5%	9.4%	12.5%

## Total Sales

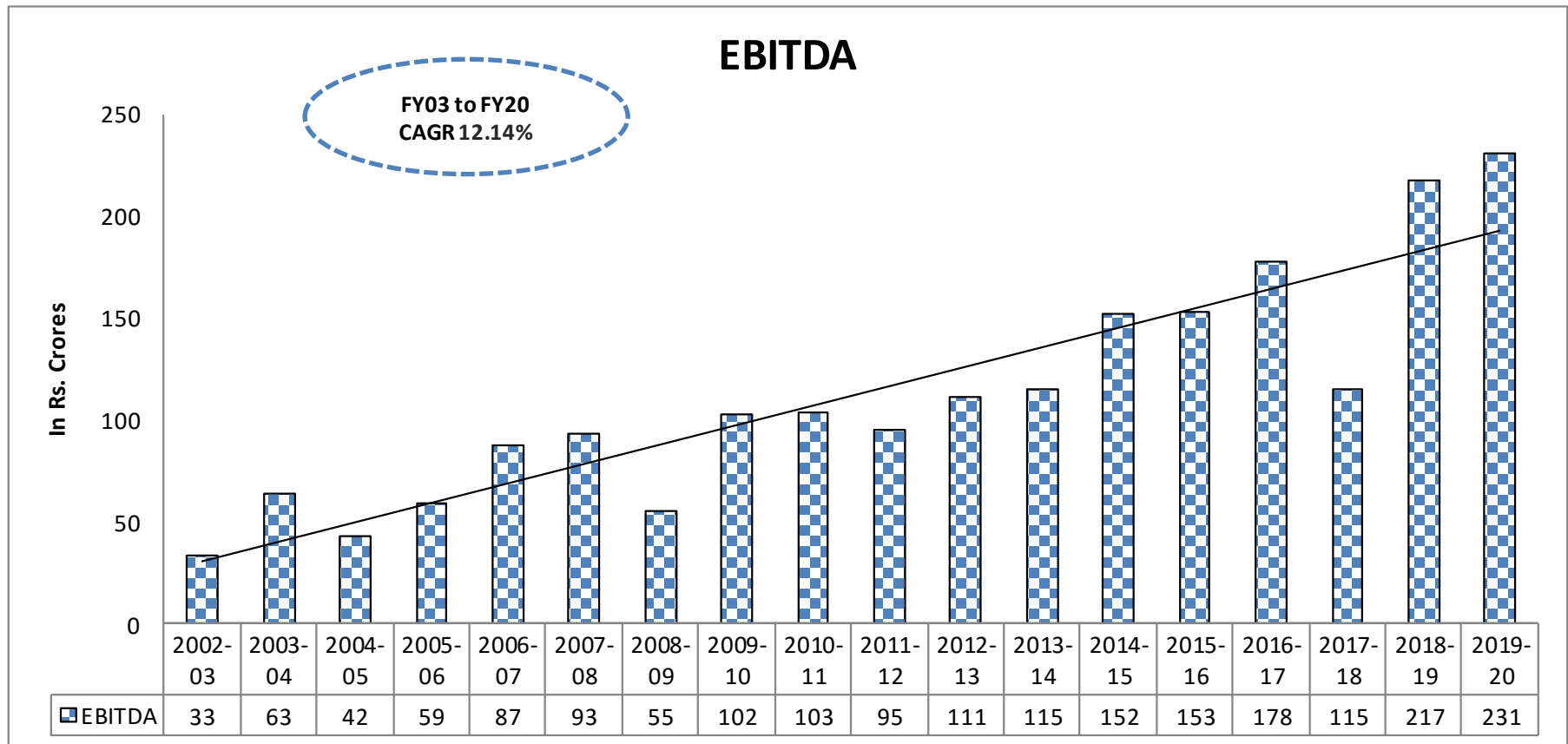


**“KFIL has grown from Rs.251 Cr to Rs.1850 Cr business in last 18 years”**

# Financials



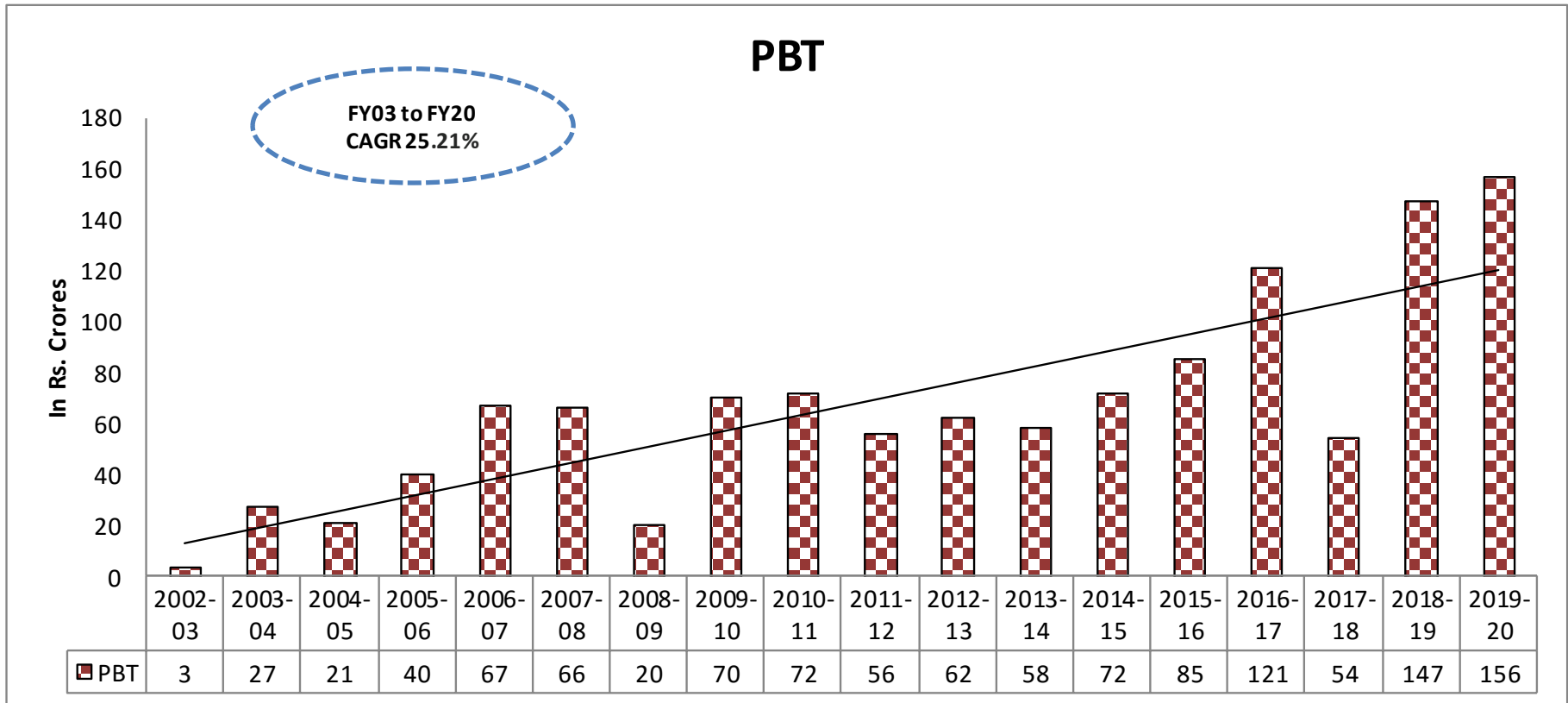
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# Financials



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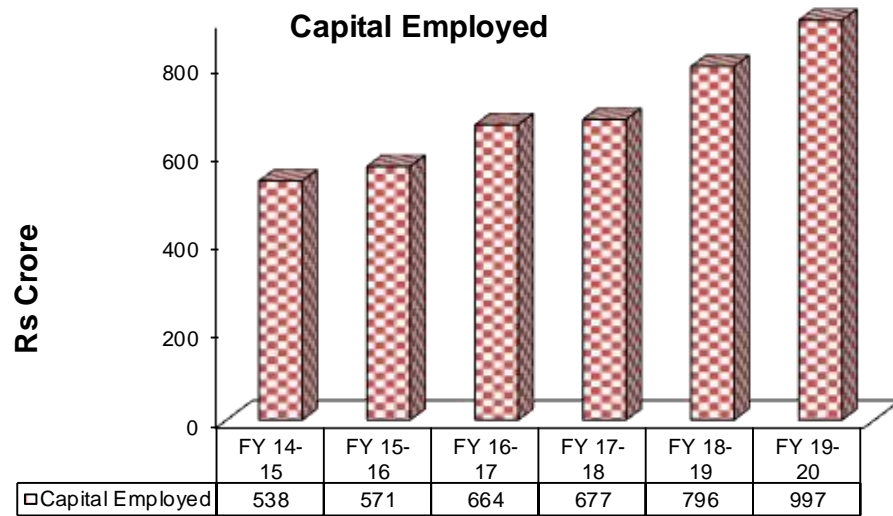


# Financials

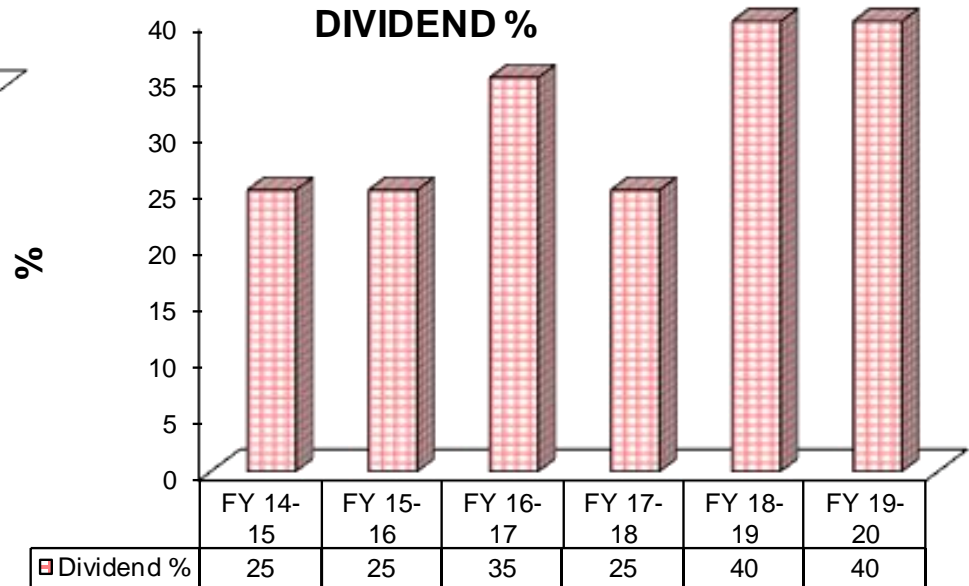


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**Capital Employed**



**DIVIDEND %**



# Top 20 Investors and their holdings

(As on 30-Sep-2020)



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Sr.No.	Name of Shareholders	%		
		Sep-20	Jun-20	Sep-19
1	PROMOTER AND PROMOTER GROUP	59.26	59.33	59.41
2	HDFC SMALL CAP FUND	6.47	6.45	4.63
3	DSP SMALL CAP FUND	3.33	3.23	2.55
4	ARUN NAHAR	1.97	1.97	1.97
5	IDFC TAX ADVANTAGE (ELSS) FUND	1.63	1.52	1.34
6	IDFC STERLING VALUE FUND	1.31	1.16	1.11
7	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	1.20	1.20	1.07
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	RAVINDRANATH VENKATESH GUMASTE	0.37	0.19	0.19
13	BEAUTIFUL DIAMONDS LTD	0.36	0.36	0.36
14	VIKRAM ADVISORY SERVICES PRIVATE LIMITED	0.31	0.24	0.15
15	ZAFAR AHMADULLAH	0.30	0.30	0.30
16	DIANA DHUN RATNAGAR	0.30	0.30	0.30
17	AJAY GOVINDAS SARAF	0.20	0.20	0.20
18	PRINCIPLE SMALL CAP FUND	0.16	0.22	0.22
19	PRESCIENT WEALTH MANAGEMENT PRIVATE LIMITED	0.16	-	-
20	MALTI HINDUJA	0.15	0.15	0.15
	<b>TOTAL</b>	<b>80.06</b>	<b>79.40</b>	<b>76.54</b>





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# 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



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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**

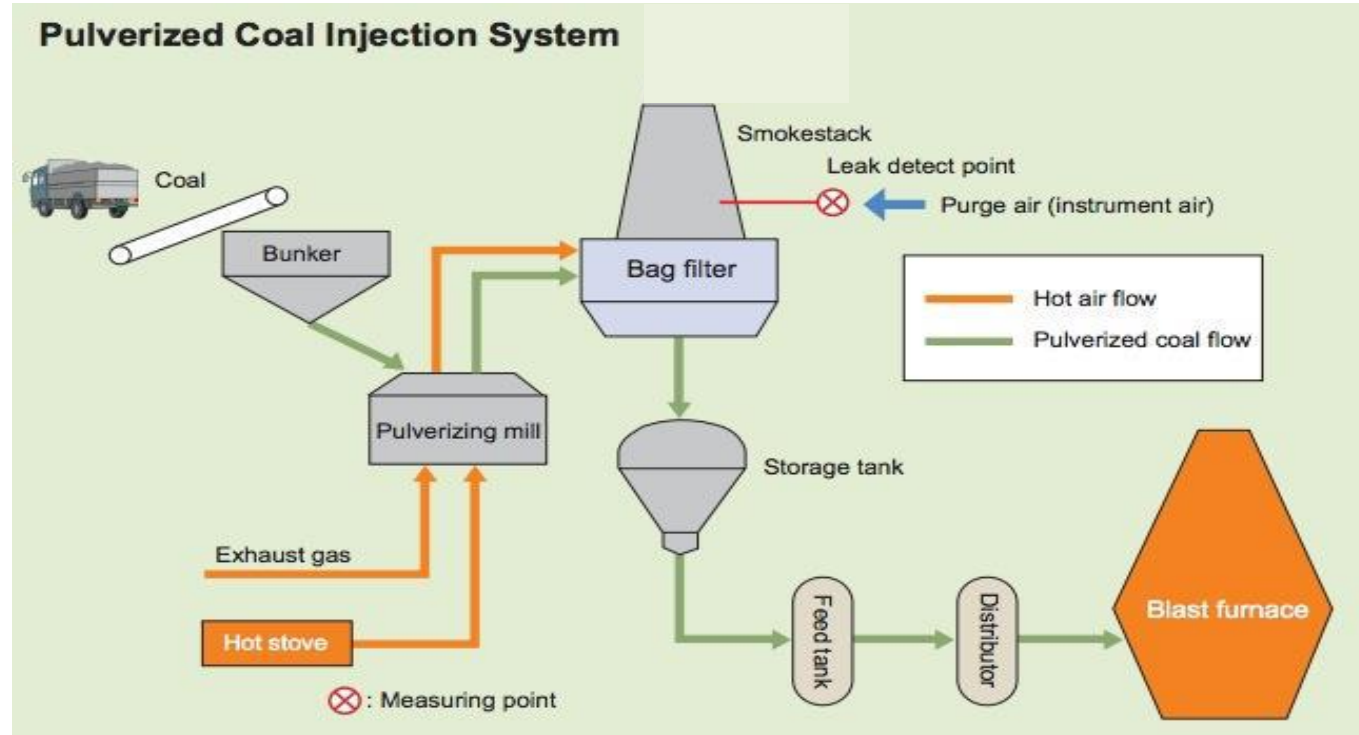
# Pulverized Coal Injection



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Objective :

Reduction in Coke Consumption



Projected timeline for completion : FY 2021-22

# 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



# Expansion of Fettling & Finishing capacity



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Objective :

Expansion of Fettling & finishing capacity





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# Awards - FY2019-20



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



Award from VECV for outstanding performance in castings Business



“SUPERIOR PERFORMANCE FY-2019” Award from Mahindra



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



# Awards - FY2019-20



“Platinum award” from CII- EXIM Bank Award for Business Excellence



“Unnatha Suraksha Puraskara” from National Safety Council, Bangalore

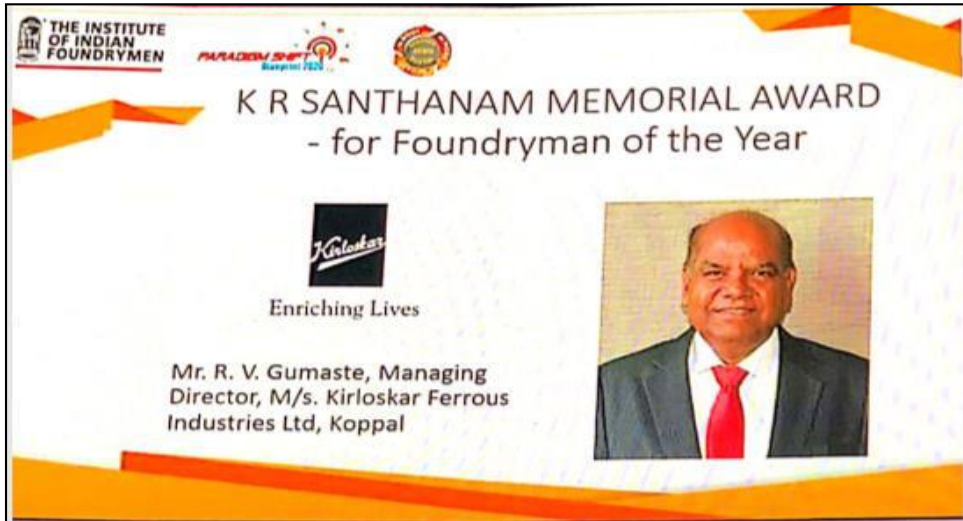


KFIL awarded as “Top Organizations with Innovative HR Practices” by “Asia Pacific HRM Congress”

# Awards - FY2019-20



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**“K R SANTHANAM MEMORIAL AWARD- For Foundryman of the Year” from IIF**



**Green Foundry of the Year Award” from IIF**

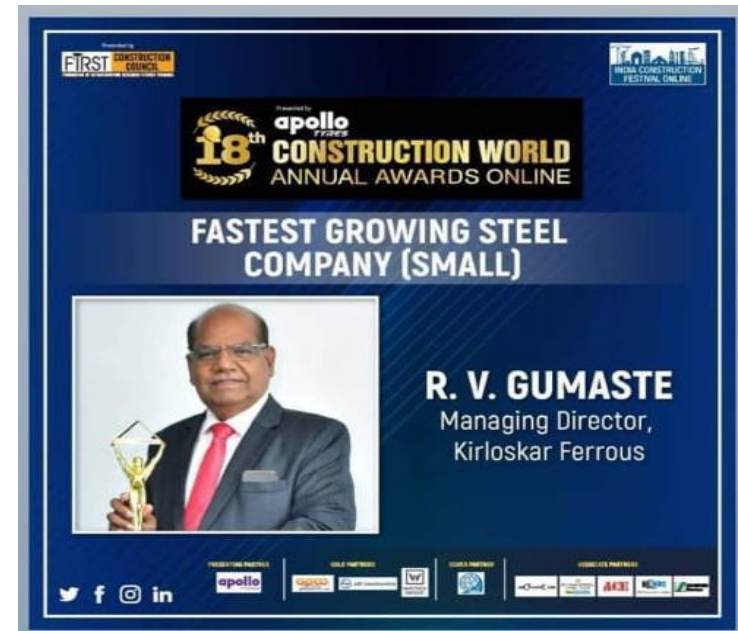


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# Awards - FY2020-21



Outstanding Contribution for New Product Development Award” from Volvo Eicher



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

# 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