



Enriching Lives

Kirloskar Ferrous Industries Limited

Q4 FY20 Investor Meet Presentation
June 12, 2020

Kirloskar Ferrous Industries Limited



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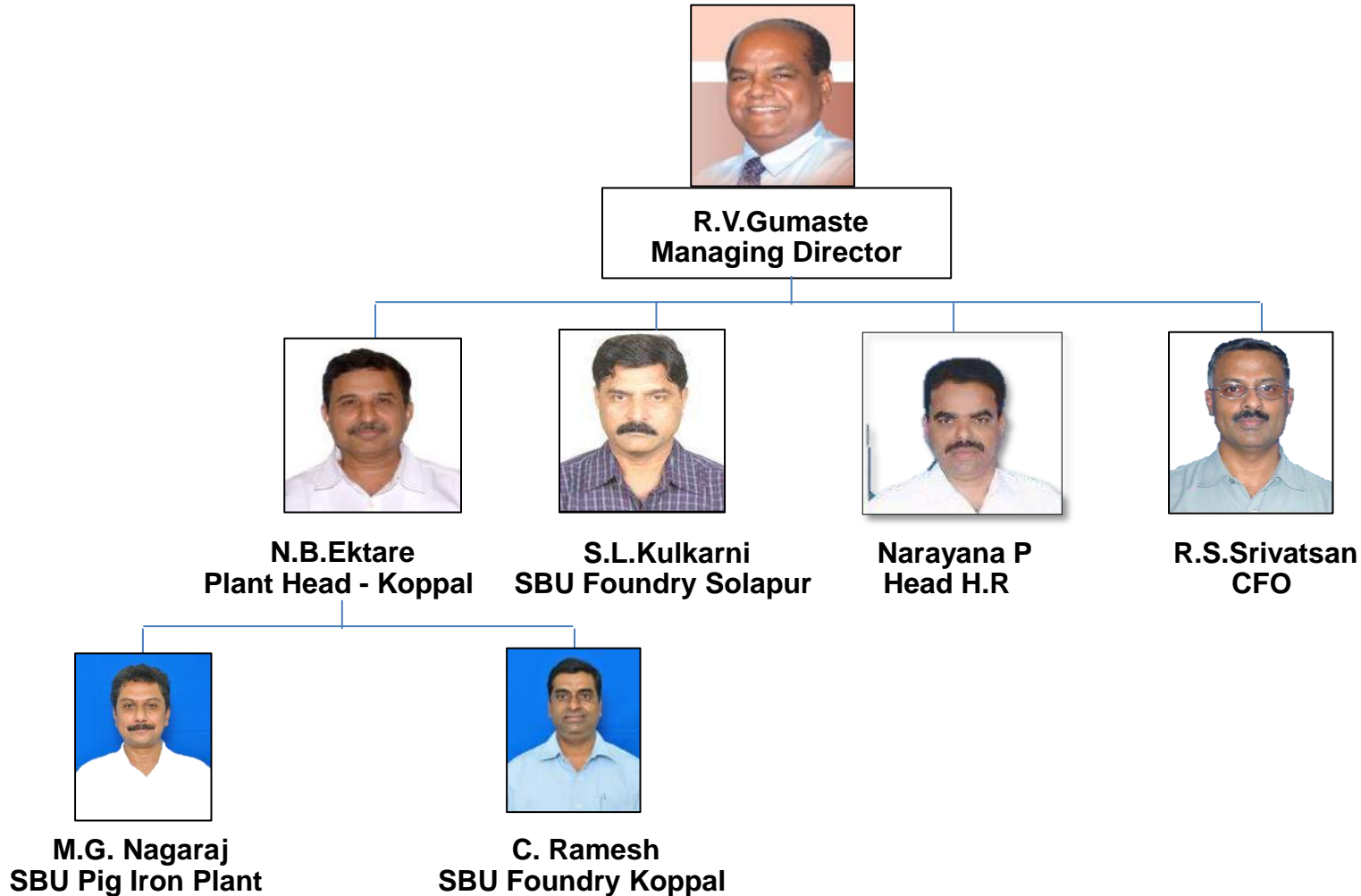
Update on Major Projects

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

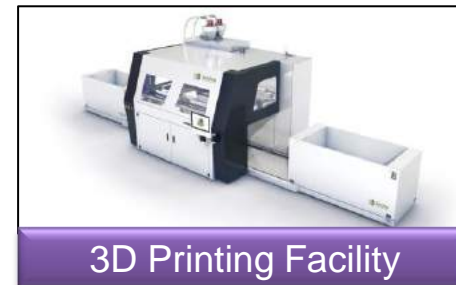
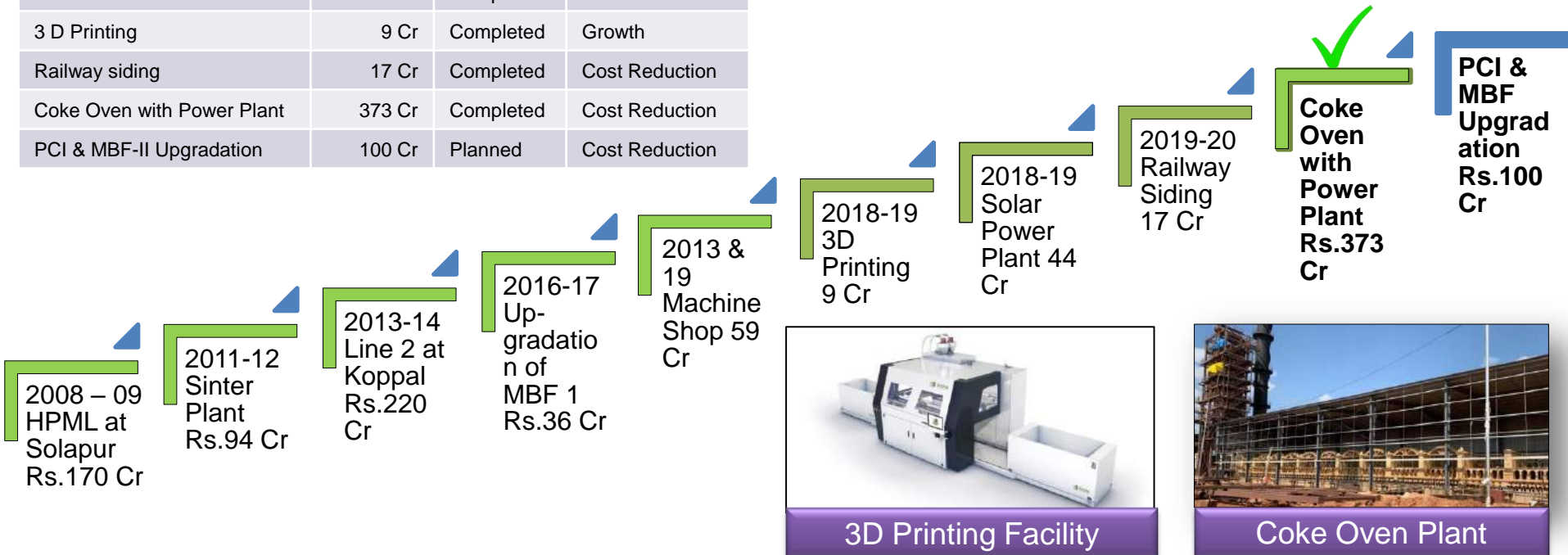
KFIL Projects

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	Completed	Cost Reduction
PCI & MBF-II Upgradation	100 Cr	Planned	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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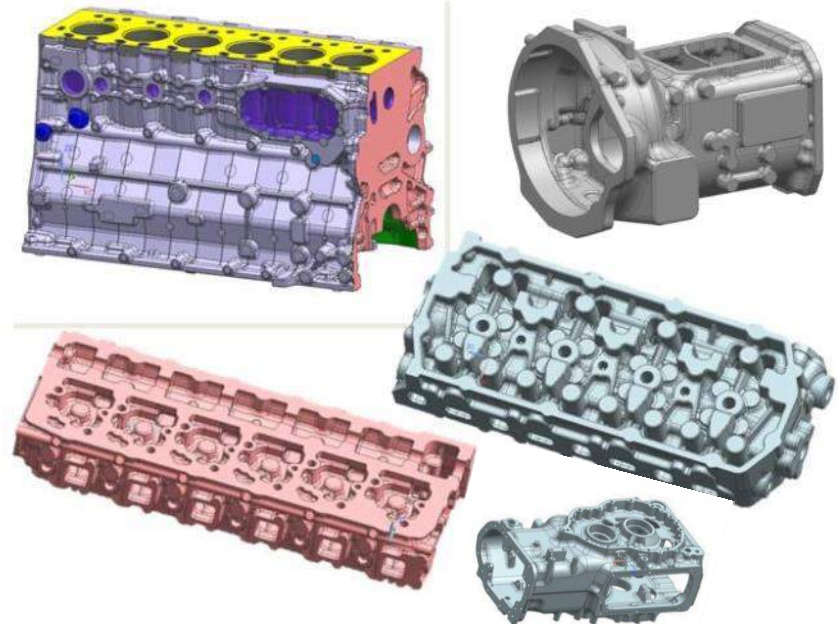
CASTINGS

Water-jacketed Blocks

Non Water-jacketed Blocks

Cylinder Heads

Housings



PIG IRON

Foundry Grade

S. G. Grade

Basic Grade



Executive Summary



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KFIL achieved 496th position in “Fortune 500 India”

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 Pig Iron and Slag through rakes



Commissioned the 2 Lac MTPA Coke Oven Plant on 31-March-2020 and 20 MW Power Plant project on 11-June-2020 at Koppal unit.



Started reaping the benefits of Green Power installed at Solapur Plant

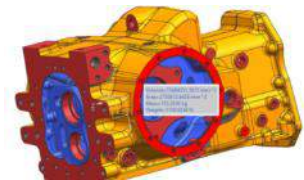
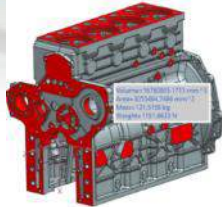
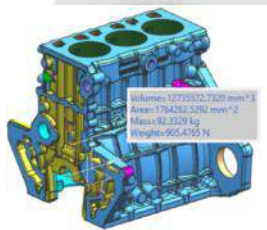
Executive Summary - Prototype Castings



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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

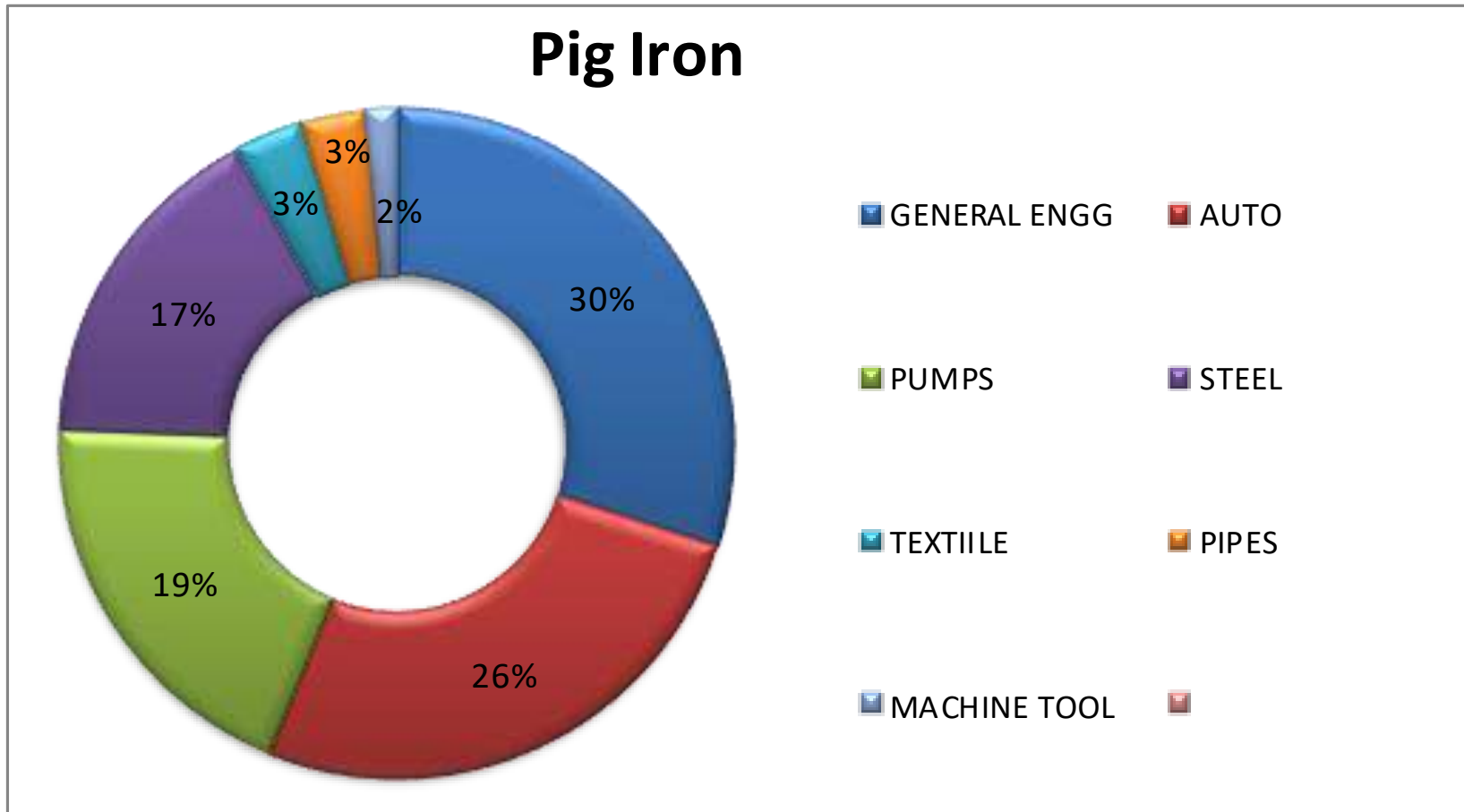
First SG iron Proto casting produced within 11 days



End use profile



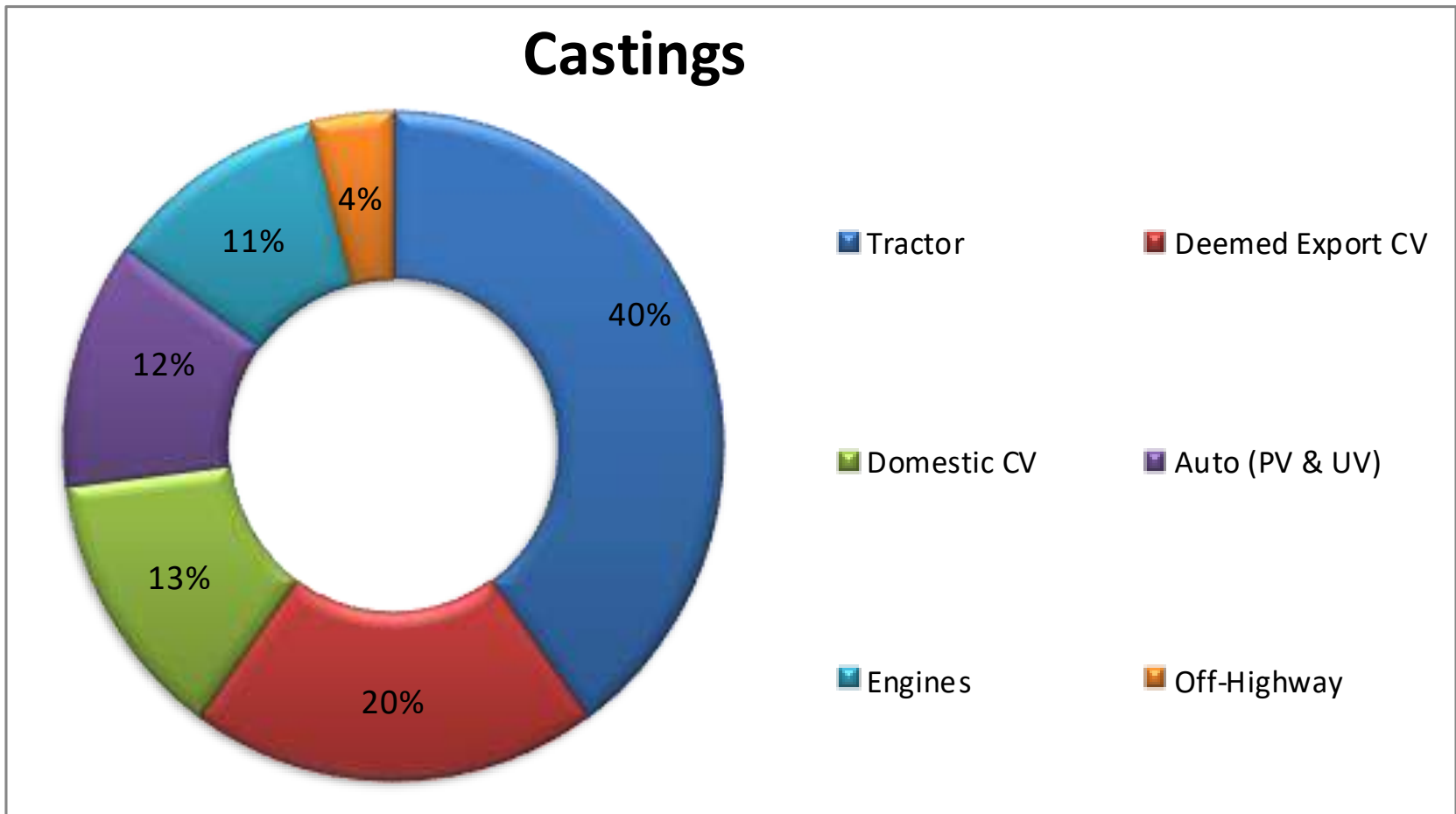
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End use profile



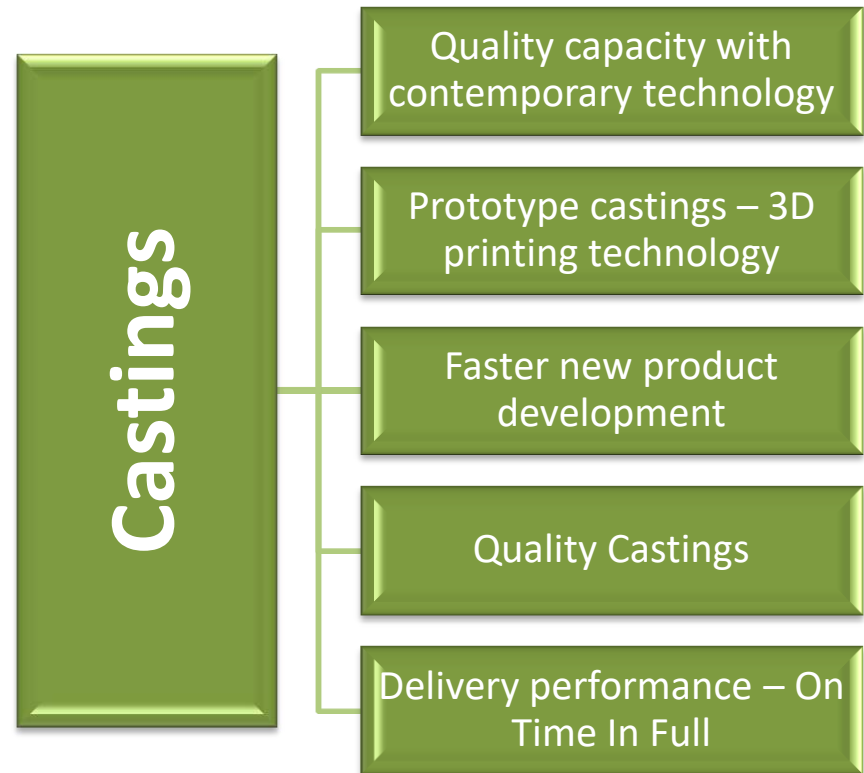
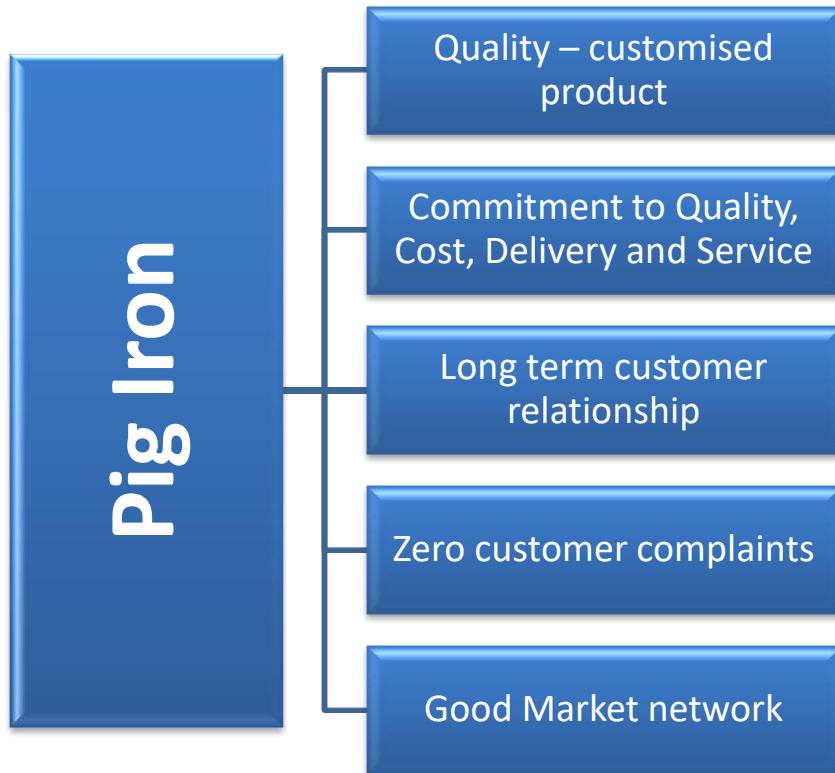
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Competitive edge



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- Market share of KFIL for Foundry grade Pig iron - 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



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Financials

Financials



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(Rs. Lakhs)

Particulars	Quarter ended			Year ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
Revenue from Operations	44,818	45,525	54,004	1,84,966	2,15,915
Other Income	1,427	46	391	1,564	553
Total income	46,245	45,571	54,395	1,86,530	2,16,468
Expenses					
(a) Cost of Materials consumed	25,130	27,186	34,614	1,13,140	1,34,478
(b) Purchase of stock-in-trade	-	-	-	-	1,397
(c) Changes in inventories of finished goods, Stock-in -Trade and work-in-progress	(1,162)	627	(380)	167	(859)
(d) Employee benefits expense	2,433	2,281	2,479	9,640	9,374
(e) Finance costs	324	407	436	1,726	1,647
(f) Depreciation and amortisation expense	1,468	1,477	1,429	5,751	5,420
(g) Other expenses	10,923	10,157	12,469	40,488	50,340
Total Expenses	39,116	42,135	51,047	1,70,912	2,01,797
Profit before tax	7,129	3,436	3,348	15,618	14,671

Financials

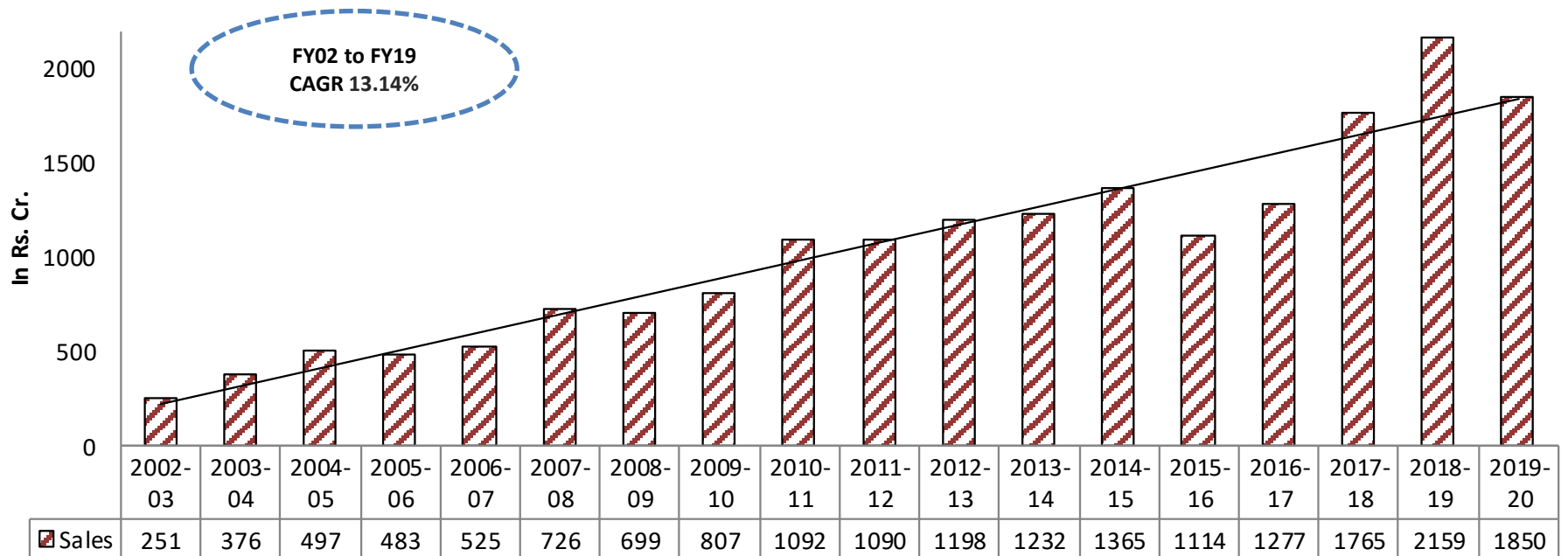


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(% to Sales)

Particulars	Quarter ended			Year ended	
	31-Mar-20	31-Dec-19	31-Mar-19	31-Mar-20	31-Mar-19
Material Cost	53.5	61.1	63.4	61.3	62.5
Power Cost	6.5	5.9	5.8	5.9	6.8
Employee benefits expense	5.4	5.0	4.6	5.2	4.3
Finance Cost	0.7	0.9	0.8	0.9	0.8
Profit before tax	15.9	7.5	6.2	8.4	6.8
Profit after tax	12.8	5.1	4.8	6.1	4.5
EBITDA	19.9	11.7	9.7	12.5	10.1

Total Sales

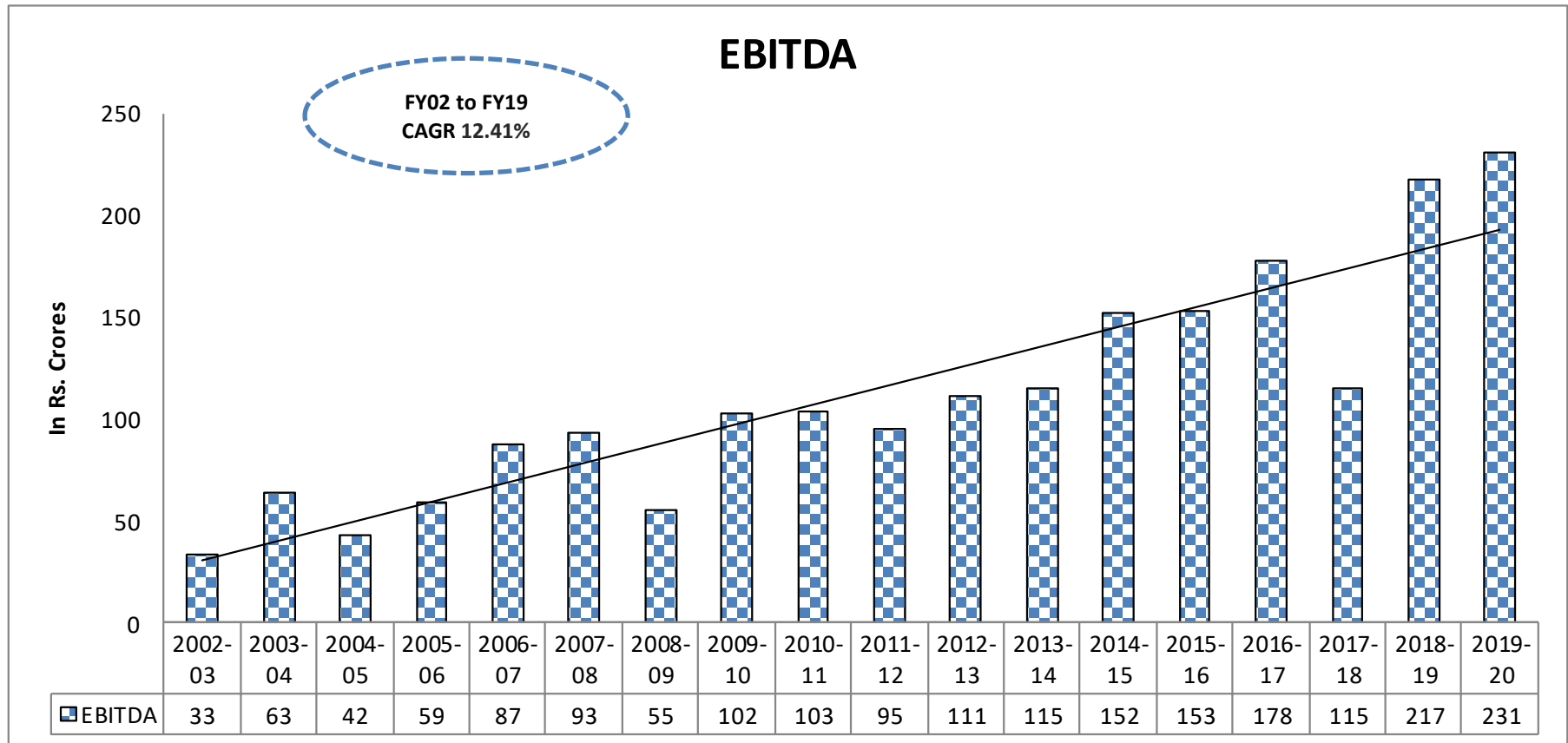


“KFIL has grown from **Rs.251 Cr** to **Rs.1850 Cr** business in last 18 years”

Financials



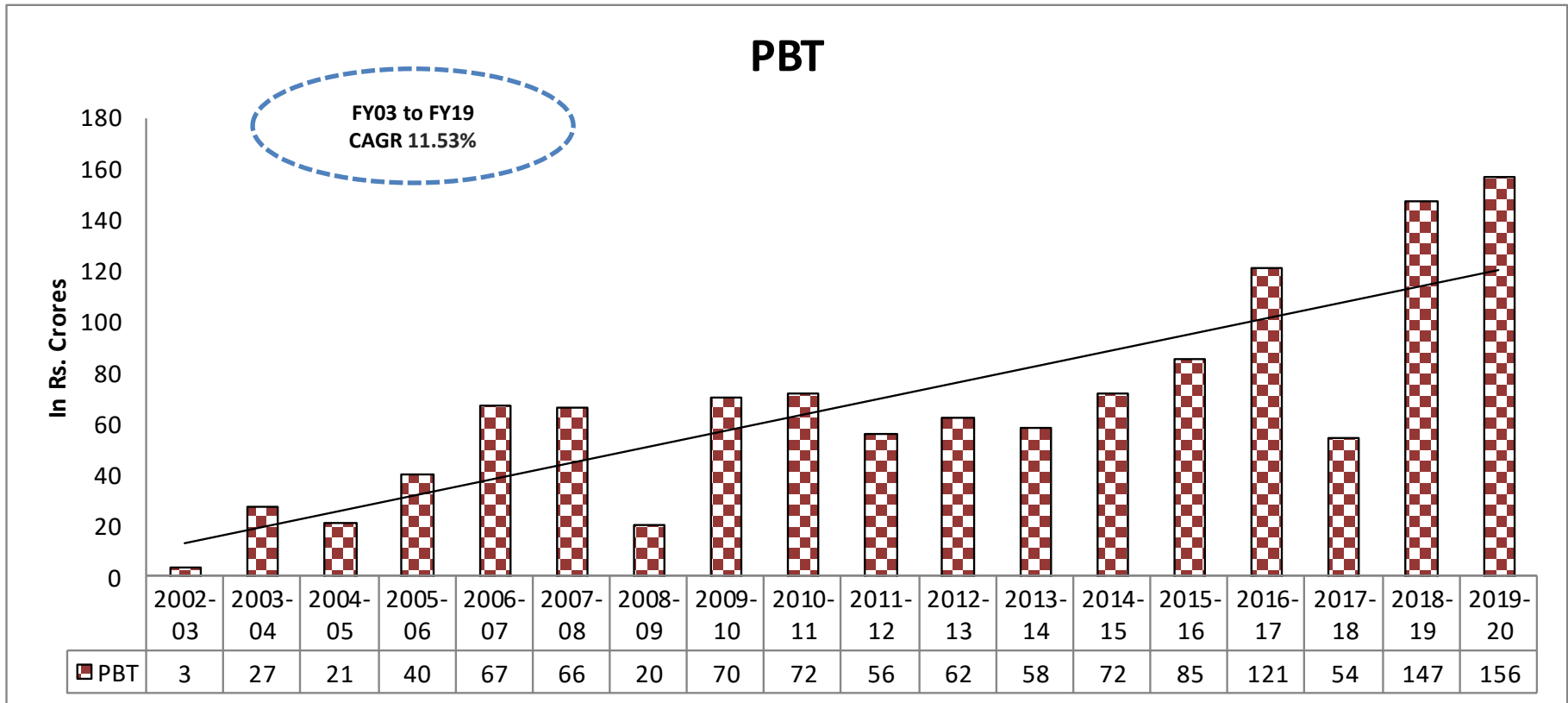
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Financials



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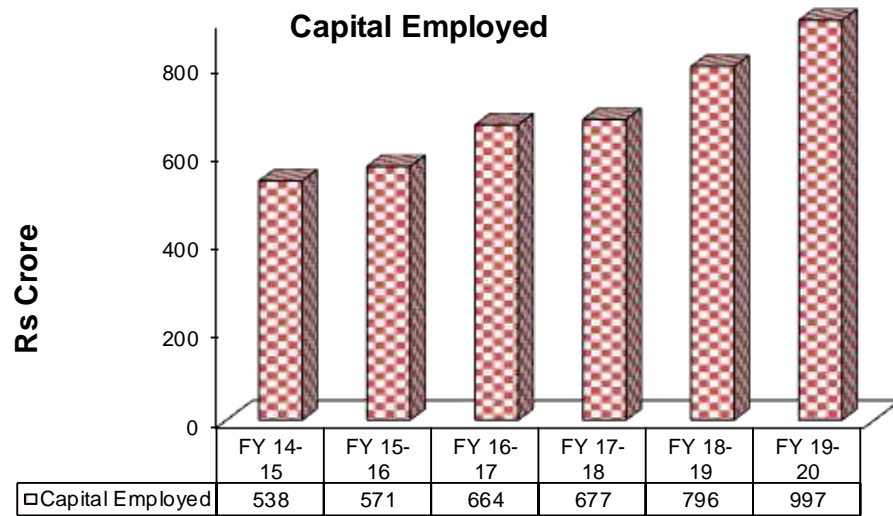


Financials

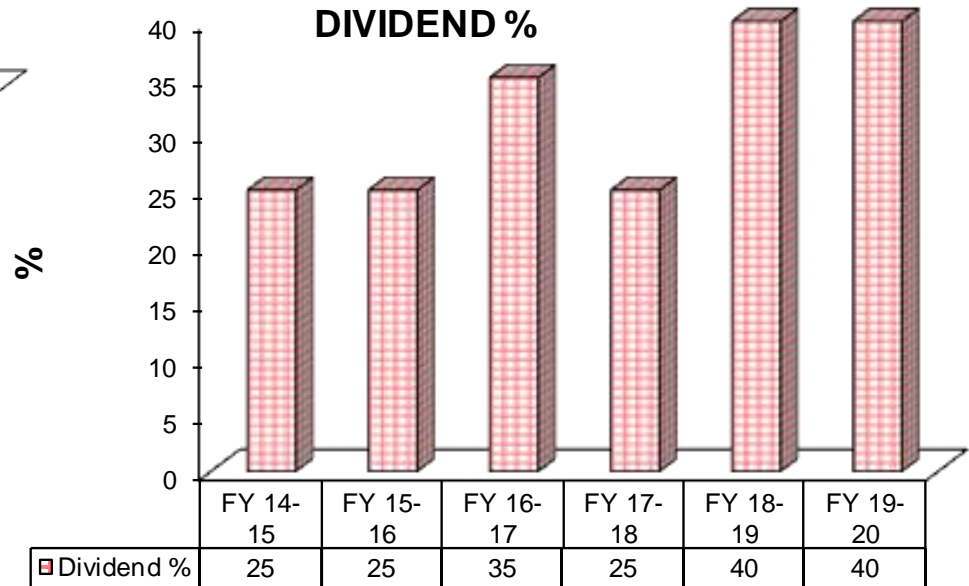


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Capital Employed



DIVIDEND %



Top 20 Investors and their holdings

(As on 31-Mar-2020)



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Sr.No.	Name of Shareholders	%		
		Mar-20	Dec-19	Mar-19
1	PROMOTER AND PROMOTER GROUP	59.34	59.38	59.41
2	HDFC SMALL CAP FUND	6.25	5.81	3.78
3	DSP BLACKROCK SMALL CAP FUND	3.24	3.24	2.55
4	ARUN NAHAR	1.97	1.97	1.97
5	Idfc Tax Advantage (Elss) Fund	1.45	1.36	0.84
6	INVESTOR EDUCATION AND PROTECTION FUND AUTHORITY MINISTRY OF CORPORATE AFFAIRS	1.20	1.20	1.08
7	IDFC STERLING VALUE FUND	1.16	1.11	1.02
8	JAGDISH AMRITLAL SHAH	0.93	0.93	0.93
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	0.30	0.30
14	DIANA DHUN RATNAGAR	0.30	0.30	0.30
15	PRINCIPAL TRUSTEE SMALL CAP FUND	0.29	0.29	-
16	AJAY GOVINDAS SARAF	0.20	0.20	0.20
17	RAVINDRANATH VENKATESH GUMASTE	0.28	0.28	0.19
18	NINU S KHANNA	-	0.17	0.17
19	SUNDARAM MUTUAL FUND A/C SUNDARAM SELECT MICRO CAP SERIES - XVI	0.16	0.16	-
20	Vikram Advisory Services Private Ltd	0.18	0.16	0.52
21	Prescient Securities Private Ltd	0.16	0.16	0.16
22	Malti A Hinduja	0.15	0.15	-
	TOTAL	79.59	79.22	75.47



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Update on Major Projects

Capex outlay



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Proposed capex outlay for major projects from the FY 2020-21 to FY 2022-23 is estimated at around Rs.700 Crores towards backward integration for the Pig Iron & Casting, machining shop for value addition and balancing equipments in foundry to achieve capacity utilisation.

The estimated Capex mentioned above will depend on the growth in business and economy

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



- **Commissioned on 31.03.2020**

2. Power Plant

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



- **Commissioned on 11.06.2020**

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



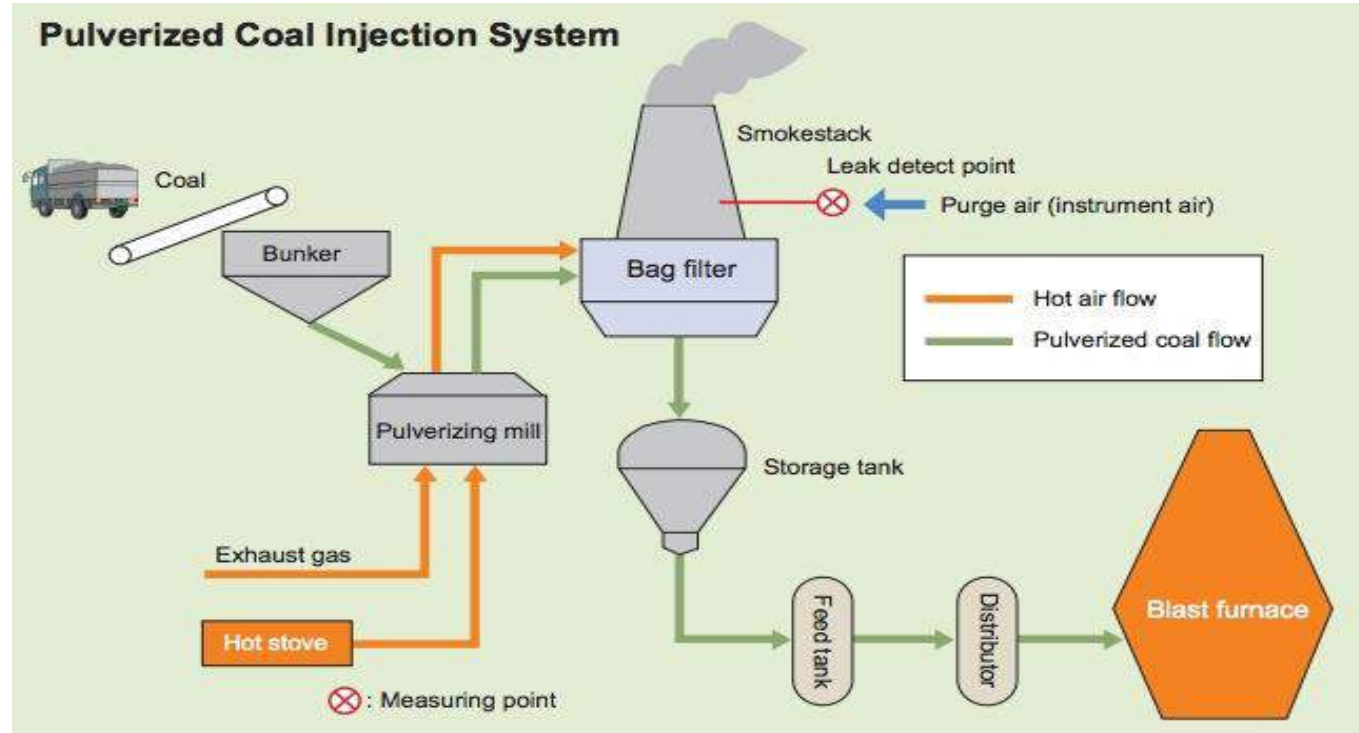
Pulverized Coal Injection



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Objective :

Reduction in Coke Consumption



Projected timeline for completion : FY 2021-22



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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 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



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Awards - FY2019-20



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



“Unnatha Suraksha Puraskara” from National Safety Council, Bangalore

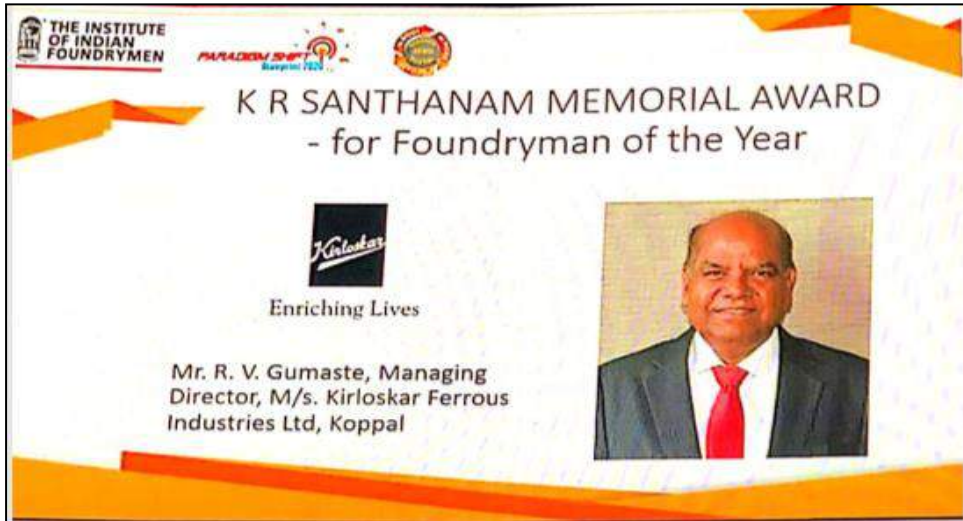


KFIL awarded as “Top Organizations with Innovative HR Practices” by “Asia Pacific HRM Congress”

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

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