



2<sup>nd</sup> August 2023

**BSE Limited**  
Listing Operations  
Phiroze Jeejeebhoy Towers,  
Dalai Street,  
Mumbai - 400 001  
Maharashtra, India  
**BSE Script Code: 532864**

**National Stock Exchange of India Limited**  
Listing Department,  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (E),  
Mumbai - 400 051  
Maharashtra, India  
**NSE Script Code: NELCAST**

Dear Sir/Madam

Sub: **Investor Presentation**

Pursuant to the Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the Investor Presentation. The copy of the disclosure is available on the website of the Company at <http://www.nelcast.com>.

We request you to take this information on record.

Thanking you.

For **NELCAST Ltd**

S K  
SIVAKUMAR  
Digitally signed by S K  
SIVAKUMAR  
Date: 2023.08.02 19:43:28  
+05'30'

**(S.K. SIVAKUMAR)**  
**Company Secretary**

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**e-mail:nelcast@nelcast.com; web: www.nelcast.com**  
**CIN : L27109AP1982PLC003518**

Regd. Off.: 34, Industrial Estate, Gudur - 524 101 (A.P.) Tel.: 251266 / 251766 Fax:08624-252066  
Ponneri works :Madhavaram Village, Amur P.O, Ponneri - 601 204 .T.N Tel.: 27974165/27973532, Fax: 27973620  
Pedapariya Works : 259 /261, Pedapariya Village, Ozili Madal, Nellore Dist - 524402. (A.P.)

IATF 16949 : 2016 \* ISO 14001 : 2015 \* ISO 50001 : 2011

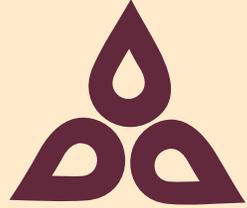


ISO 9001 : 2015

\*

OHSAS 18001 : 2007

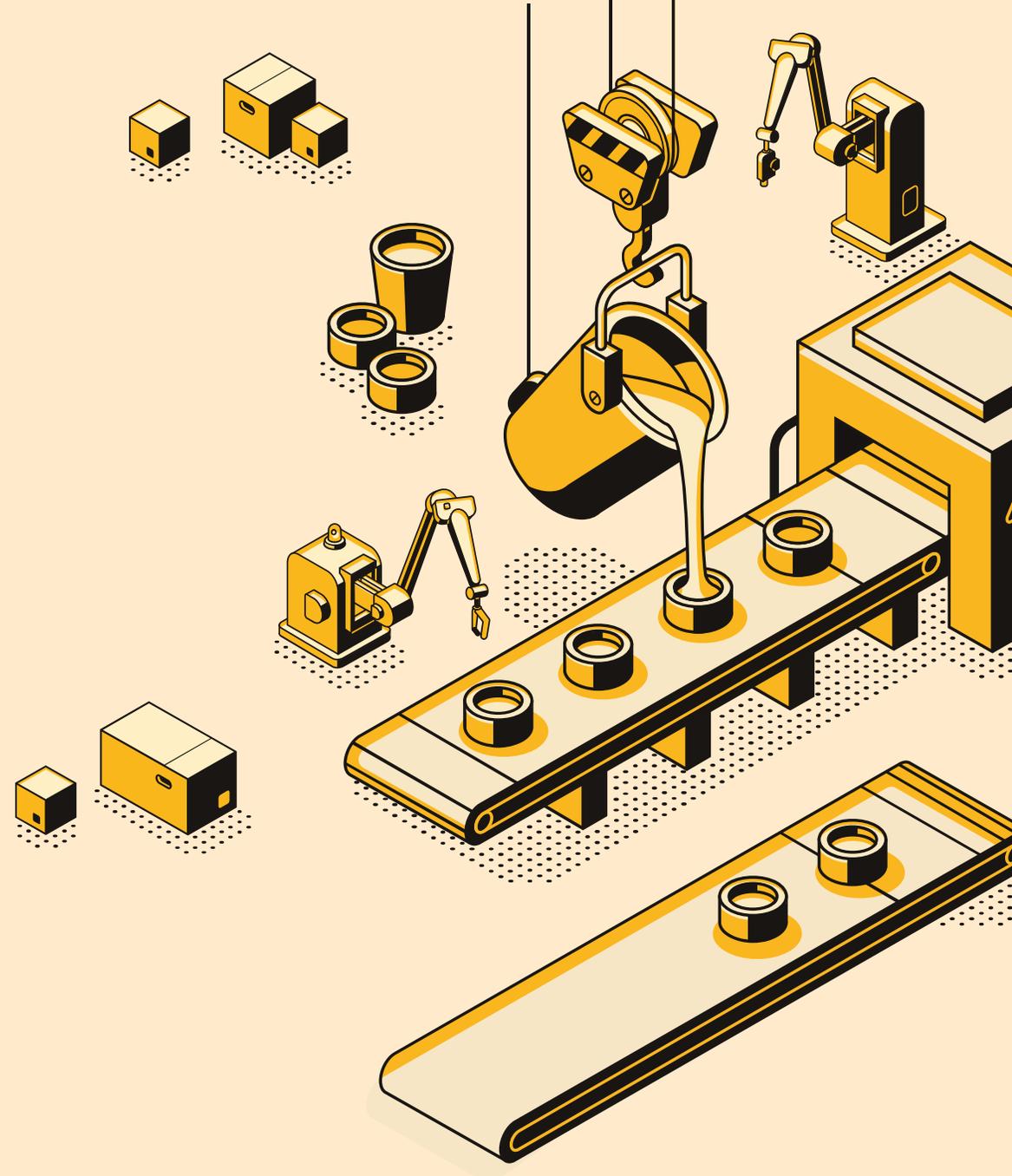
**NELCAST**  
LIMITED



# Investor Presentation

August 2023

BSE: 532864 | NSE: NELCAST | ISIN: INE189101024  
[www.nelcast.com](http://www.nelcast.com)



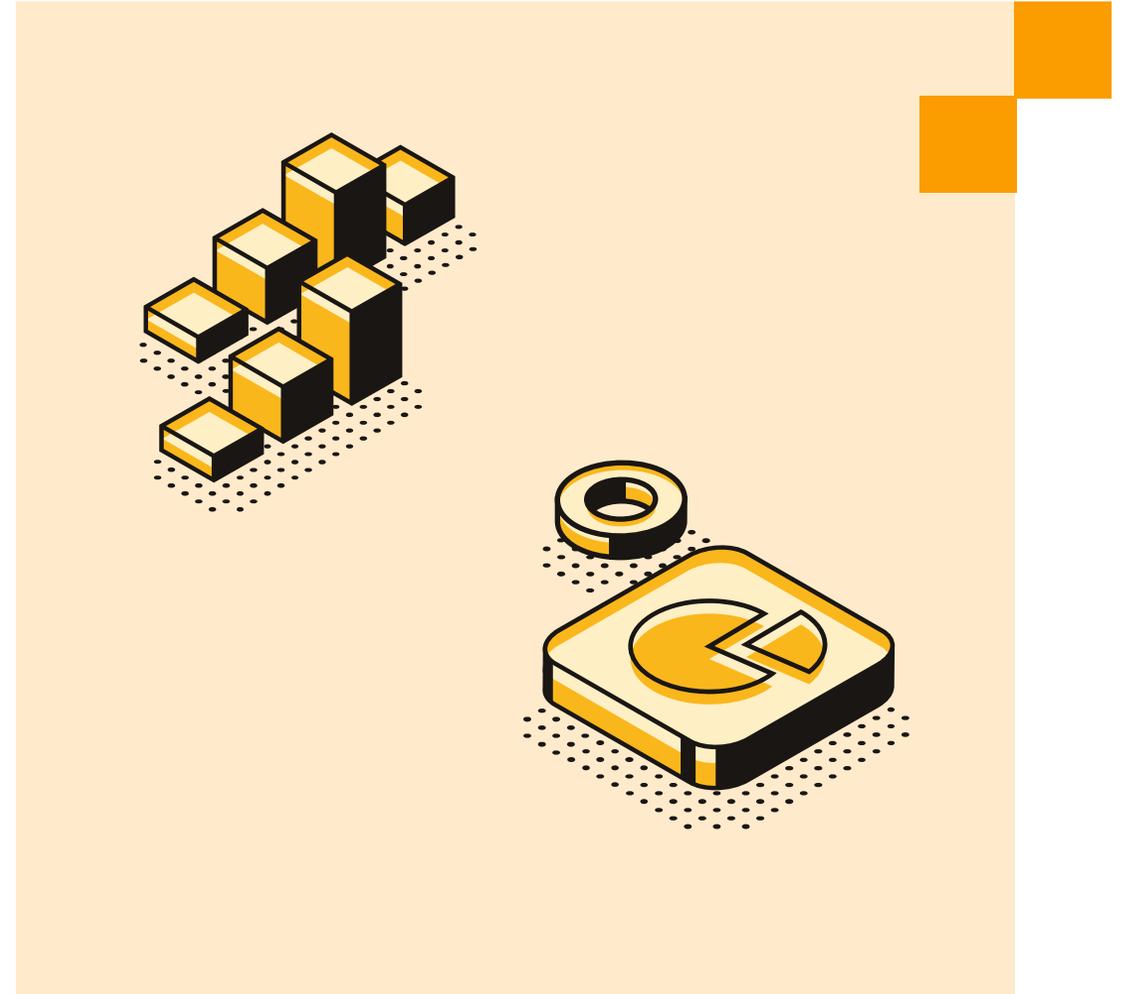
# Q1 FY24 Highlights

Profit & Loss Highlights 03

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# Profit & Loss Highlights

Consolidated (in INR Cr.)	Q1FY24	Q1FY23	YoY %	Q4FY23	QoQ %
<b>Total Revenue</b>	296.4	299.6	(1.1) %	315.2	(6.0) %
<b>EBITDA</b>	23.0	23.3	(1.5) %	20.8	10.2%
<b>EBITDA Margin %</b>	7.8%	7.9%	(5) bps	6.7%	119 bps
<b>EBITDA/kg</b>	11.7	12.2	(3.5) %	9.7	21.1%
<b>PAT</b>	7.2	7.8	(7.6) %	4.5	60.3%
<b>PAT Margin %</b>	2.4%	2.6%	(17) bps	1.4%	100 bps

## REVENUE

**₹296<sub>CR</sub>**

YoY degrowth was due to slowdown in tractor segment.

## EBITDA/KG

**₹11.7**

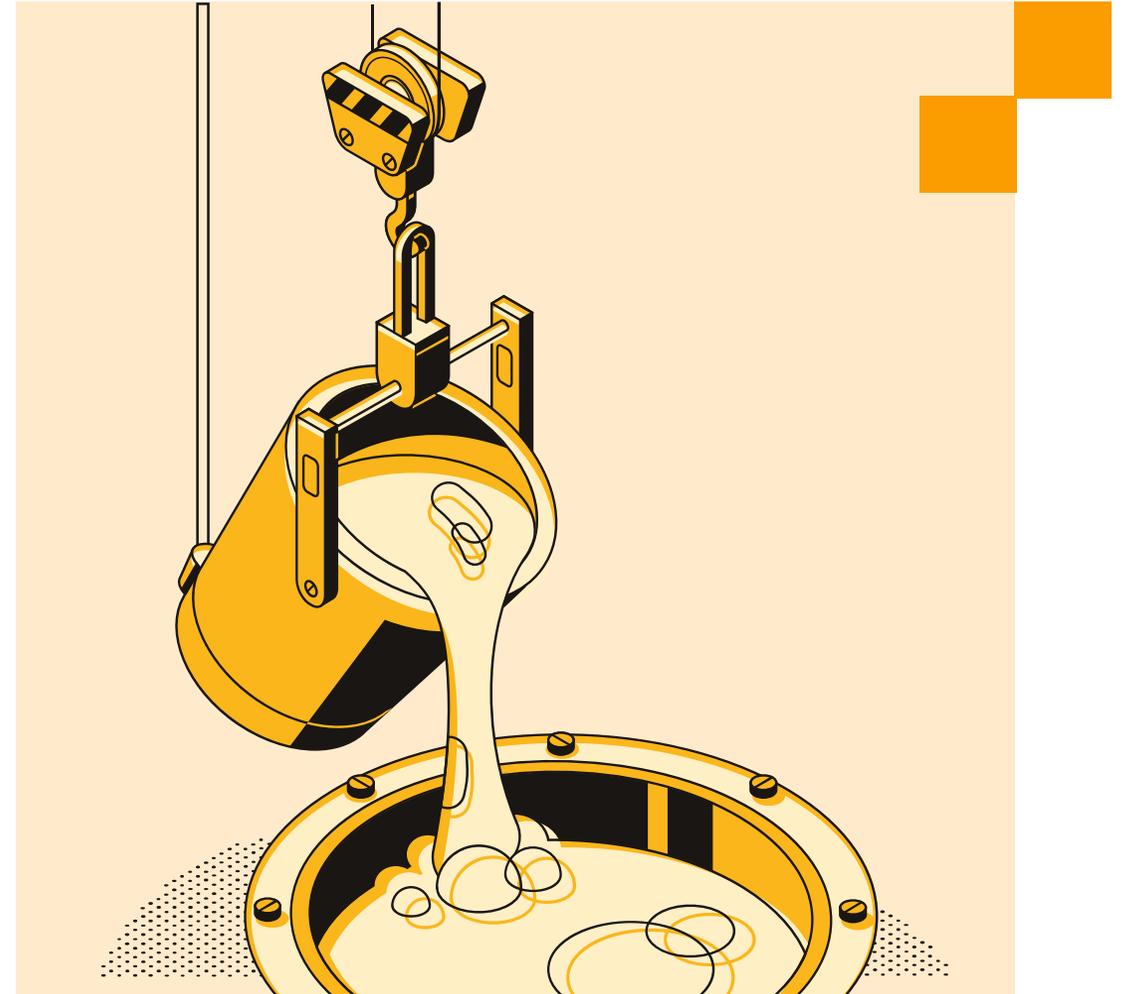
Material improvement as compared to Q4FY23, due to increased exports and better realisation.

# Key Developments & Outlook

PARTICULARS	CURRENT (Q1 FY24)	OUTLOOK (FY24 & FY25)
Overall Performance	Revenues saw a marginal degrowth due to slowdown in tractor segment, supported by strong growth in exports.	We foresee better performance in H2 FY24 compared to H1, driven by strong demand in commercial vehicle and exports. Therefore, we expect double-digit top line growth in FY24.
Tractors	Revenue from tractors decreased by ~25% due to subdued demand.	Expect the industry to remain largely flat due to slow growth in the rural economy.
Medium & Heavy Commercial Vehicles	The segment's performance was slower than expectations.	M&HCV industry is expected to grow strongly in H2 FY24 driven by increased infrastructure spends by the government and based on the demand forecasts of our clients.
Exports	<p>Reported strong growth of 23% YoY, contribution to revenue increased from 26% to 30% on the back of strong demand.</p> <p>Most of the new launches have been completed and will start contributing to the top line in the coming quarters.</p>	We continue to see healthy order back log, especially in the truck segment and we are working towards increasing our shipments to take advantage of this strong demand. Therefore, we expect a significant growth in exports in FY24.
EBITDA/kg	Margins have been improving due to increase in exports and better realization.	We expect margins to improve as the domestic raw material prices are stabilizing, better utilisation and increase in exports revenue.

# Company Overview

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# Company at a glance



Nelcast Limited is a leading producer of Ductile & Grey Iron Castings in India with an installed capacity of 160,000 Metric Tons/Year.



The Company caters to a marquee clientele of Original Equipment Manufacturers (OEMs) and Tier-1 customers in Commercial Vehicle, Tractor, Off-Highway Equipment, Railway & Passenger Vehicle segments.



Besides a strong position in the domestic market, Nelcast has a rapidly growing presence spread across North America, Europe and Southeast Asia.



## Where do we stand today?

**LARGEST PRODUCER**  
of Ductile Iron Castings

**TOP 10 PRODUCER**  
of Grey Iron Castings

**ONLY CASTING MANUFACTURER**  
with a product range from 0.5-400Kg

**STRONG CUSTOMER BASE**  
with supplies to 40+ customers across segments

**STATE OF ART MANUFACTURING FACILITIES**  
for High Pressure Green Sand Moulding

**IATF & ISO CERTIFIED**  
for Quality, Environment, Health & Safety Systems

# Key Products



## Commercial Vehicles



Forward  
Differential Carrier



Rear Differential Carrier



Bogie Suspension Bracket



## Tractors



Transmission Housing



Rear Axle Housing



4WD Axle Housing



## Off Highway Equipment



Trumpet Axle Housing



Monolithic Axle Housing



Forklift Steer Axle



## Railways



Brake Disc Friction Ring



Metro Rail Baseplates



## Passenger Vehicles

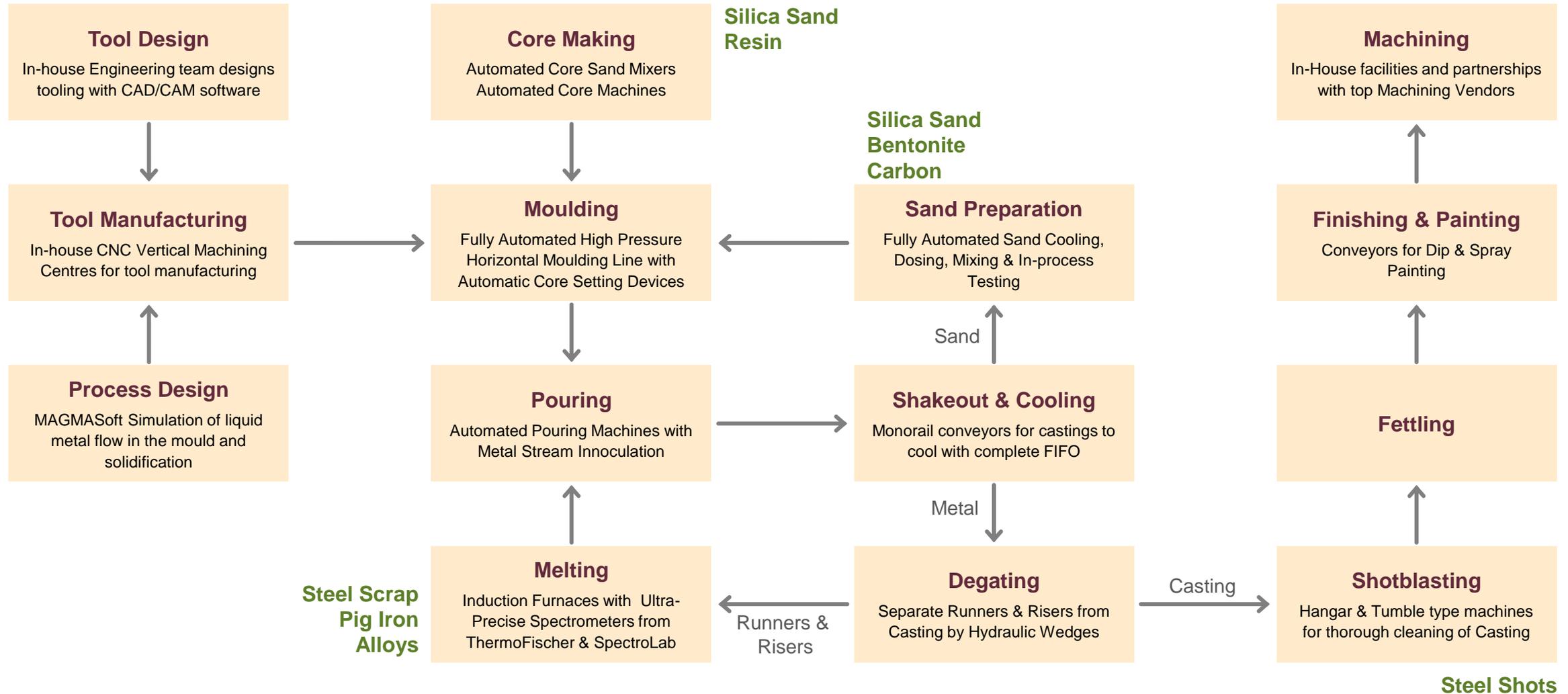


Differential Carrier



Differential Case

# Manufacturing Process & the Nelcast Advantage



# Our Well-Equipped Plants



## INSTALLED CAPACITY

**60,000 Metric Tons per Year**

## MOULDING LINES

- Line 1: DISA Flex 70 with Double Squeeze
  - 800 X 700 X 300 + 300 mm (2013)
- Line 2: DISA Flex 90 with Double Blow
  - 1230 X 1000 X 450+400 mm (2016)
- Line 3: DISA Flex 90 with Double Squeeze
  - 1230 X 1000 X 450+400 mm (2022)
- Inductotherm Flexpour Pouring Machine with synchronized pouring. Equipped with automated Metal Stream Inoculation
- Automatic Core Setting devices
- Automatic In-cycle Tool Change System



## INSTALLED CAPACITY

**40,000 Metric Tons per Year**

## MOULDING LINES

- Line 1: KW DFM with AirPressplus2000
  - 1200 X 900 X 400 + 400 mm (2001)
- ABP PressPour System delivers the metal at constant temperature with induction heating. Equipped with automated Metal Stream Inoculation System
- Automated Core Setting Device
- Automatic In-cycle Tool Change System



## INSTALLED CAPACITY

**60,000 Metric Tons per Year**

## MOULDING LINES

- Line 1: Sinto FCMX with Aeration Squeeze
  - 700 X 600 X 250 + 250 mm (2018)
- Line 2: KW MasterECO with TwinPress 4.0
  - 2100 X 1200 X 475 + 425 mm (2020)
- Loramendi SLC3-220 Core Cell with robotic core pickup & painting integrated with Conveyors, Automated Storage/Retrieval System (ASRS) and Autonomous Guided Vehicles (AGV) for core handling
- Fujiwa-Denki & Inductotherm Flexpour Pouring machines with synchronized pouring. Equipped with automated Metal Stream Inoculation System.
- Automatic Core Setting Device
- Automatic In-cycle Tool Change System

# Our Journey



Nelcast Private Limited was established by P. Radhakrishna Reddy with a modest capacity of 1000 Metric tons/year



Commencement of exports to the US



Commencement of exports to Europe



Awarded the ISO 14001 (Environment) & ISO 18001 Accreditation



Commencement of exports to Thailand



Start of Production at the Pedapariya (AP) plant with fourth High Pressure Moulding Line



Crossed the Rs.300 Crores mark in exports in FY23

1980-85

1990-95

2000-05

2005-10

2010-15

2015-20

2020-Present



Start of Production at the Gudur (AP) Plant



Entry into Tractor segment



Commissioning of first High Pressure Automatic Moulding Line at Ponneri Plant



Successful IPO and listing on BSE & NSE



Entry into Off-Highway Equipment segment



Awarded ISO 50001 Certification for Energy Management System



Modernisation of Unit-1 in Gudur with sixth High Pressure Moulding Line

# Why Nelcast?

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# Our Strengths



1

**Diversified Customer  
base with strong  
relationships**



2

**Strategic  
Location**



3

**Strategic Business  
Foundation**



4

**Strong Export  
Growth Potential**



5

**Large Market  
Opportunity**



6

**Led by an  
Experienced Board**

# ① Diversified Customer Base with Strong Relationships

- Customers in Commercial Vehicle, Tractor, Off-Highway Equipment, Railways and Passenger Vehicles
- Has a distinguished customer base of more than 40 customers that includes OEMs and Tier 1 companies
- Serves as a strategic supplier and partner of first choice to TAFE, Tata Motors, DANA, Ashok Leyland, Automotive Axles Limited, Meritor and American Axles & Manufacturing, among others
- A one-stop shop for its customers for Grey Iron, Ductile Iron and Austempered Ductile Iron ranging from 0.5 Kg to 400 Kg
- Awards received over the past few years serve as a validation of our efforts as we focus on delivering value to our customers

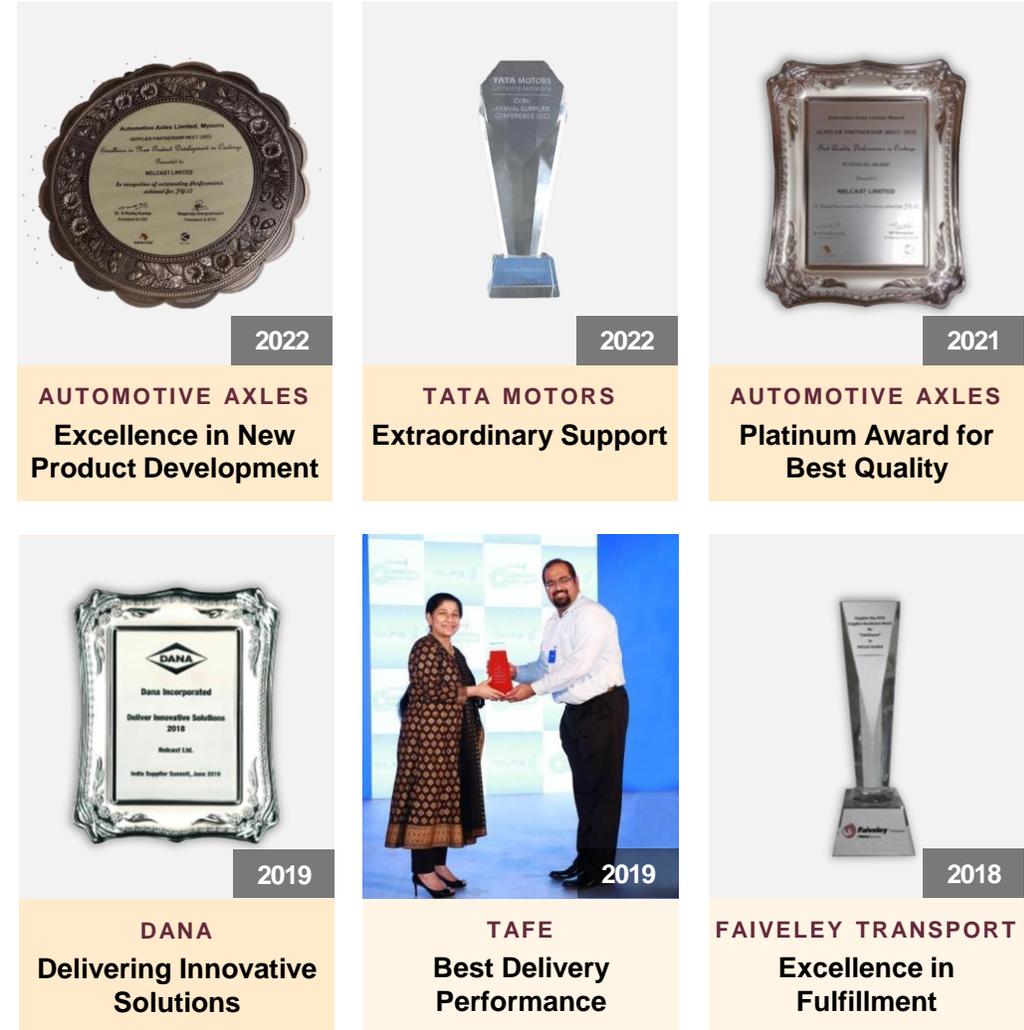
## Top OEM Customers



## Top Tier-1 Customers

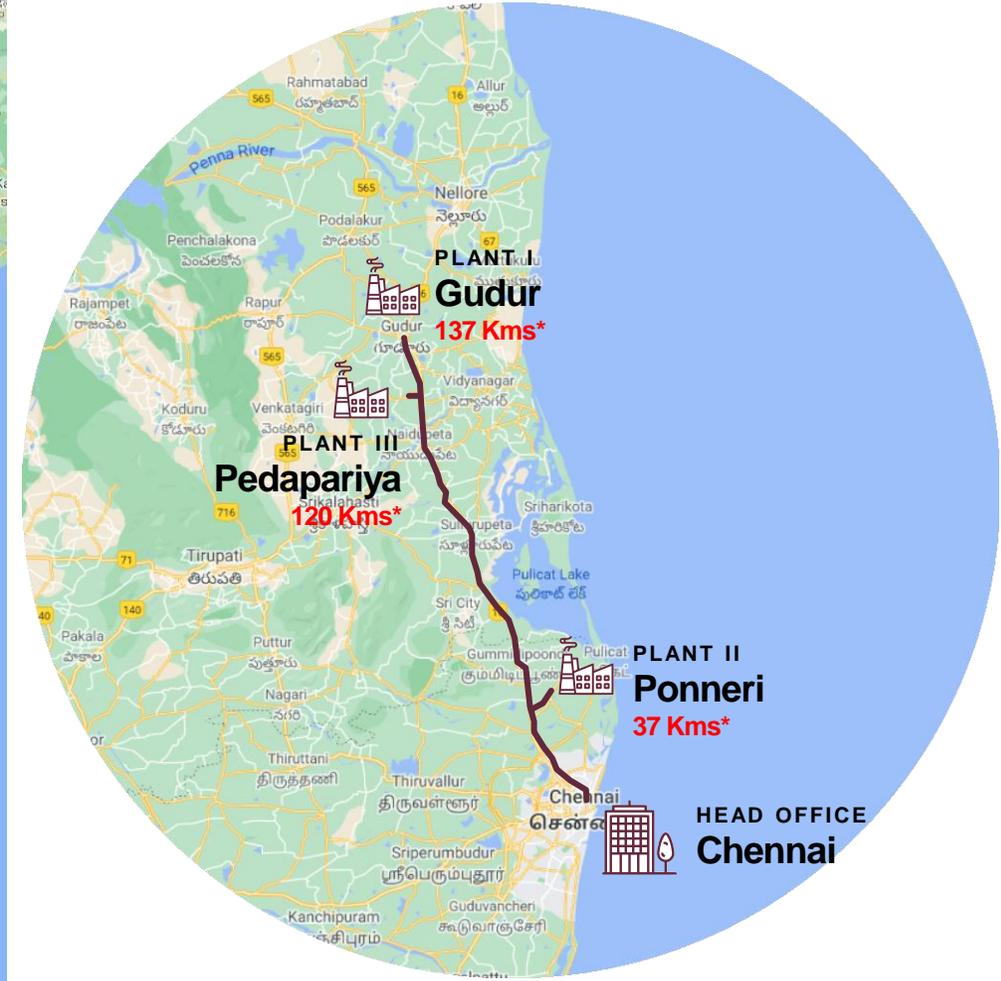
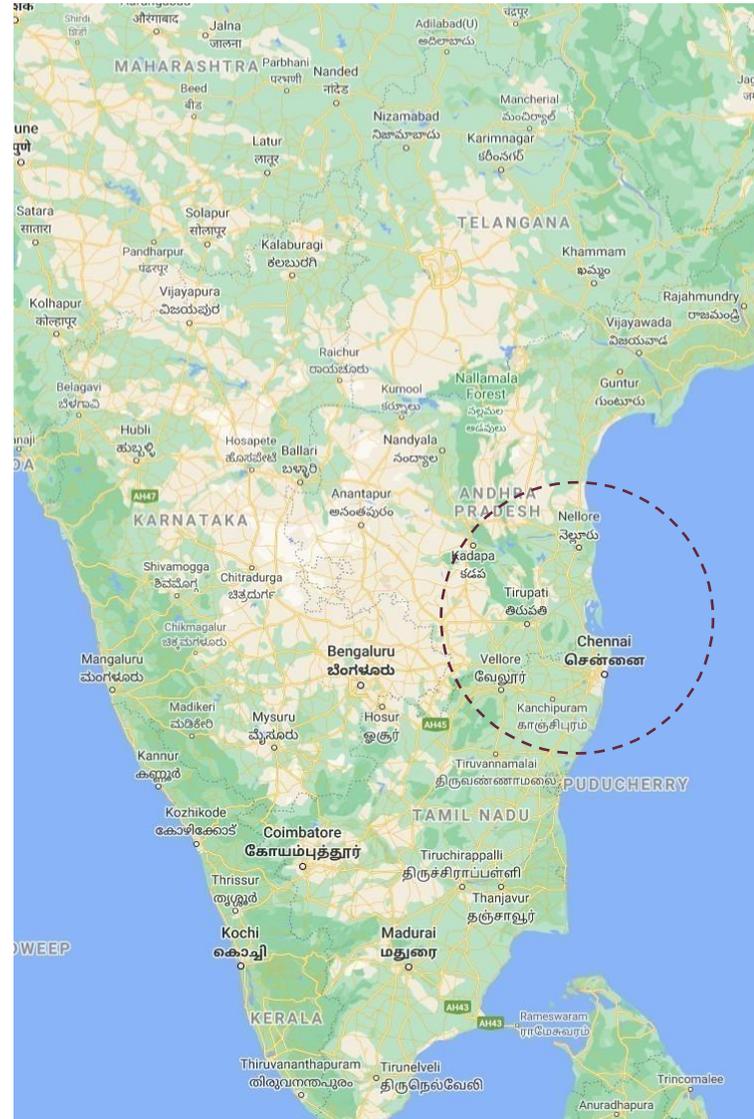


## Awards



## ② Strategic Location

- Plants are in close proximity (37-140 KM) to Chennai, a major manufacturing hub for automotive companies forms both a key customer base for Nelcast and a reliable source of steel scrap, a crucial raw material
- All 3 plants are within 15-110KM of India's largest source of Silica Sand near Gudur
- Chennai's International airport with direct flights to Europe, Middle-East & Southeast/East Asia makes it convenient for customers to visit and see the world class facilities firsthand
- Close proximity to Krishnapatnam & Chennai seaports gives easy access to Nelcast to reach its customers around the world

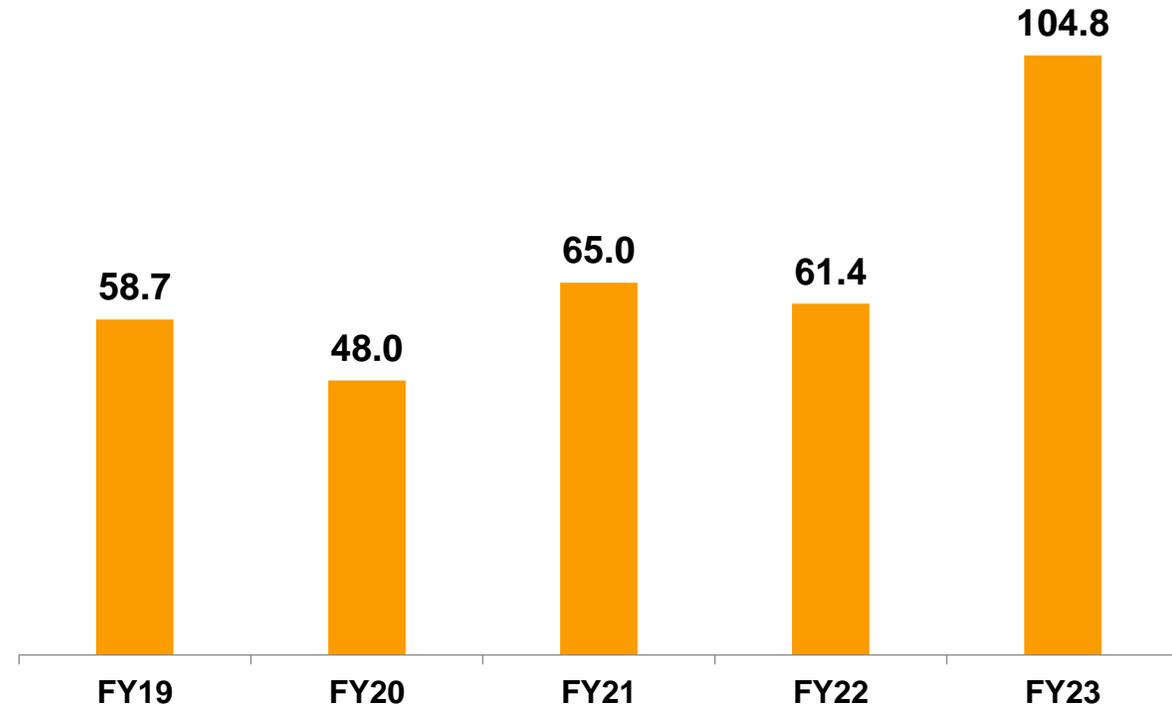


\*Distance from Chennai

# 3 Strong Business Foundation

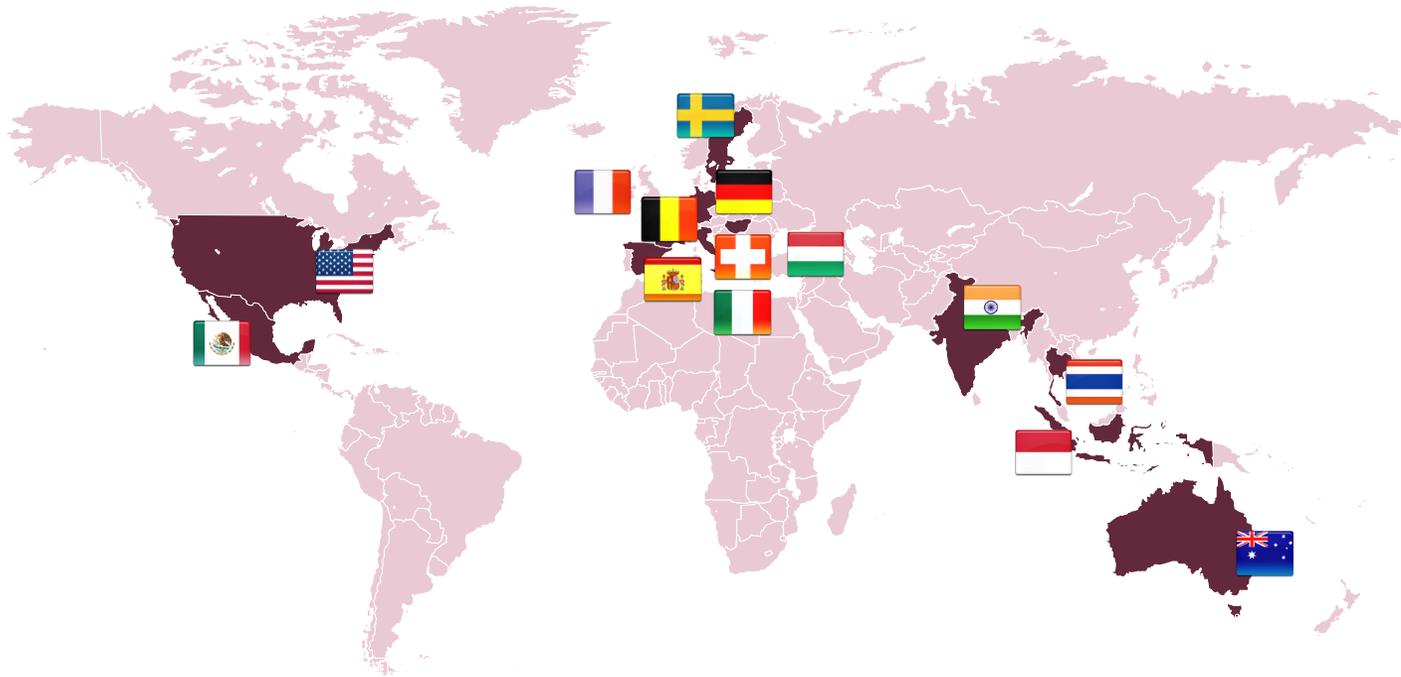
- Received an investment grade rating for short term (A1) and long term (A) fund from ICRA on the back of adequate liquidity, strong relationship with major OEMs and a diversified clientele
- Installed Capacity has been created for 160,000 Metric Tons per Year. Can be further enhanced by 50,000 MT within the existing plants with minimal investment

Cash & Cash equivalents (in Rs. Cr.)

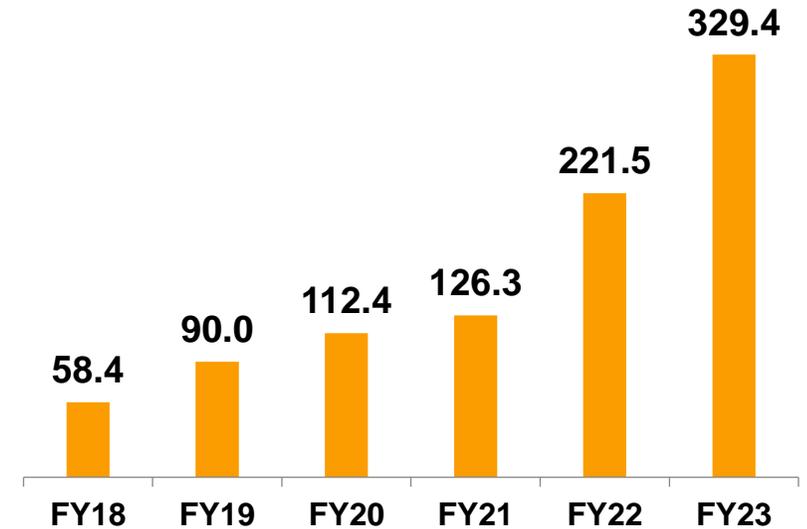


# 4 Strong Export Growth Potential

- India is being viewed as a key cog in the global automotive supply chain and sourcing machined castings from India is now becoming an attractive option for global customers.
- Nelcast is among only a few companies in the industry capable of meeting the requirements of top global OEMs & Tier 1s.
- Currently, Nelcast exports machined castings to reputable corporates in North America, Europe and Southeast Asia.



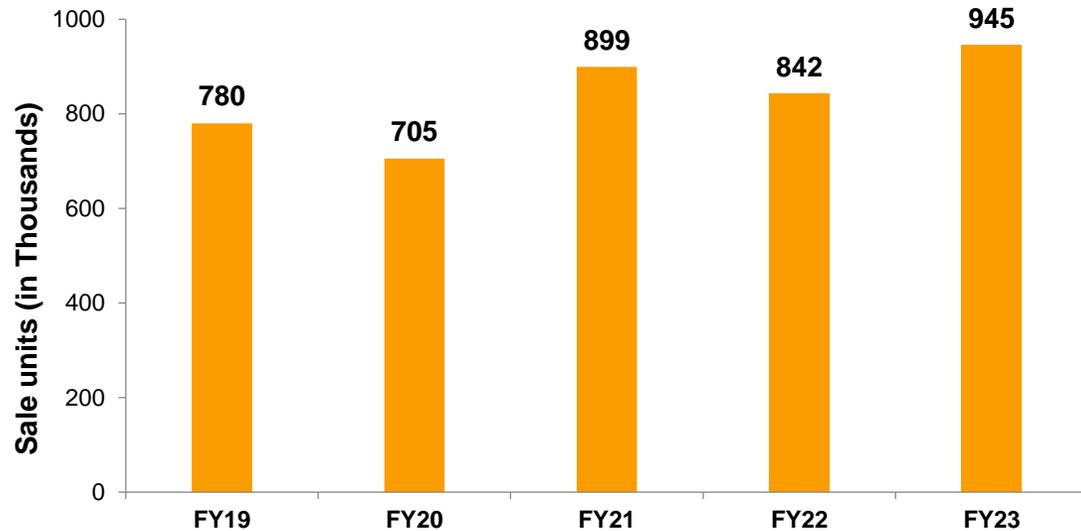
Revenue from Exports (in Rs. Cr.)



# 5 Large Market Opportunity

## Indian Tractor Industry

Industry volumes touched all-time high in FY2023; expected to remain stable

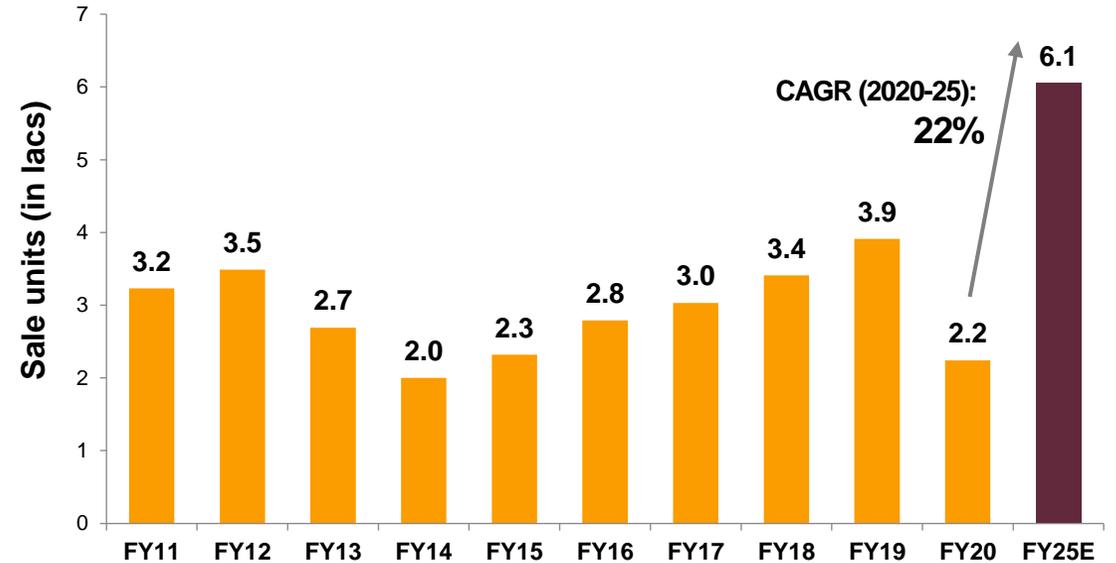


Source: Tractors and Mechanization Association

The tractor demand declined in FY22 due to delayed harvests and stagnant rural wage growth. However, the industry had a strong FY2023 driven by rise in minimum support prices which led to an increase in farm income, another year of above-average monsoon coupled with technological advancements.

## Indian M&HCV Industry

Domestic M&HCV sales to grow at a CAGR of 22% between 2020-2025; expected to touch over 600,000 units



Source: SIAM, IHS Markit

The heavy-duty trucks account for **over 55%** of the total M&HCV sales in India. They are estimated to continue their dominance in the years to come, followed by buses, the worst-affected segment in the pandemic, is predicted to be the fastest growing, due to low base effect.

# 6 Led by an Experienced Board



**D. Sesa Reddy**  
Chairman

- Chairman of Dodla Dairy and Nelcast
- Possesses wide industrial entrepreneurial experience
- Has been on the Board of Nelcast since its inception



**P. Deepak**  
Managing Director

- MBA from Kellogg School of Management
- MS in Engineering Management
- Industrial experience at M/s. Federal-Mogul Corp., USA, M/s. Nelcast USA Inc. and M/s. Deere & Company



**P. Divya**  
Director

- MS in Network Information Systems, BE degree with Honours in Computer Engineering
- Managed various projects globally, ultimately specializing in Change Management & Governance at Deutsche Bank



**R. Sridharan**  
Director

- Graduate from Madras University
- Served as the Managing Director & Group Executive of SBI, and MD of Clearing Corporation of India Limited and its wholly owned subsidiary Clearcorp Dealing Systems India Limited



**A. Balasubramanian**  
Director

- Bachelors degree in Science and a Chartered Accountant
- About 35 years of experience in the areas of Banking, Finance and Management
- Worked in Punjab National Bank for about 30 years at various capacities and retired as Chief General Manager



**Maheswari Mohan**  
Director

- Post Graduate in M.A (Psychology) and LL.M (IPR & Cyber Laws). Certified by Indian Institute of Arbitration & Mediators, Cochin
- About 29 years of experience in the field of law, practicing in High Courts representing Corporate/MNC's/General public.

# Focussed on a Sustainable Future

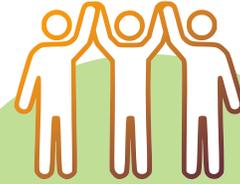
- **Renewable energy:**

About 60% of the power requirement is met through renewable sources

- Plantation of trees
- Core sand reclamation
- Building with bricks made out of waste black sand



**Protecting the Environment**



**Giving back to the Community**

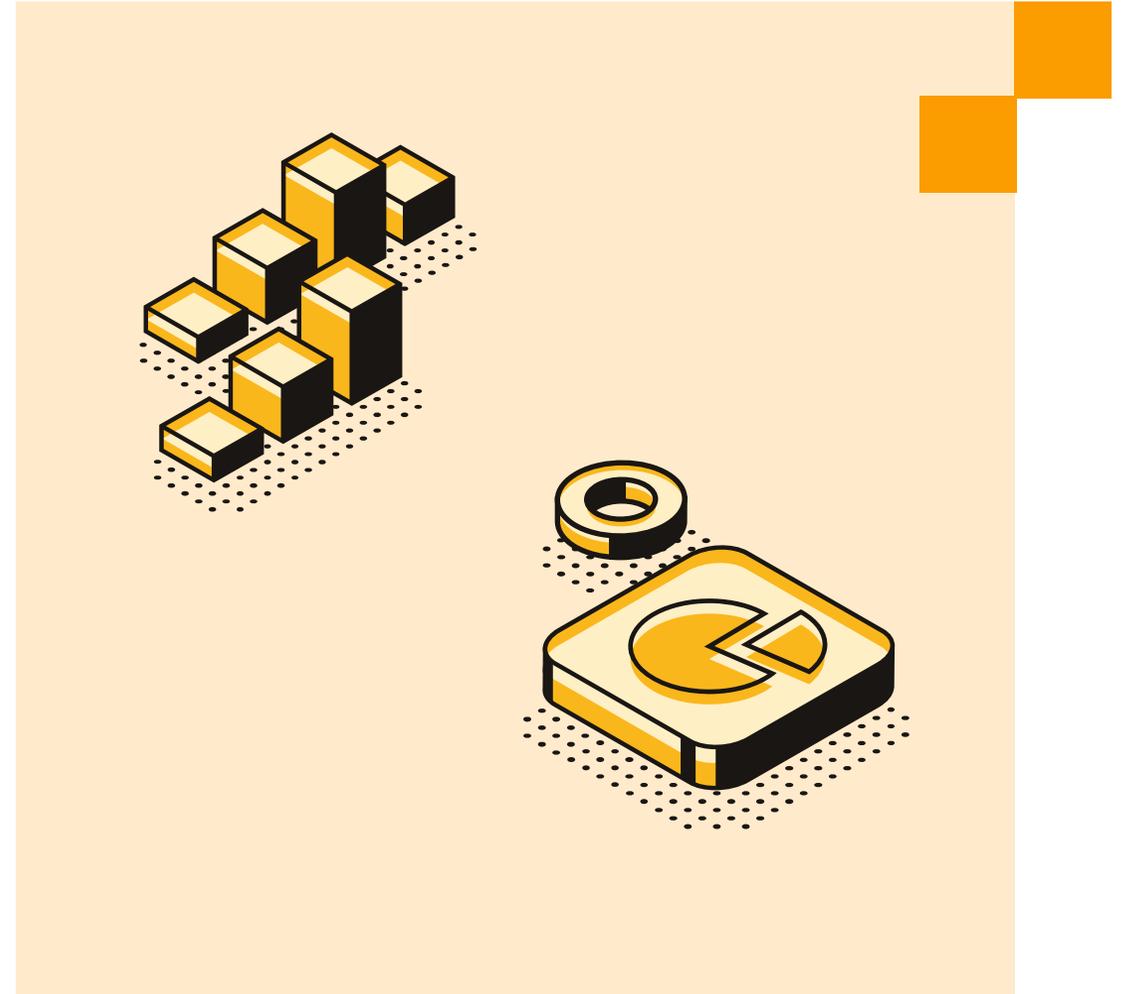
- Blood donation camps
- Providing medical support to hospitals
- Supporting schools
- Clinic & health camps



# Annual Financials

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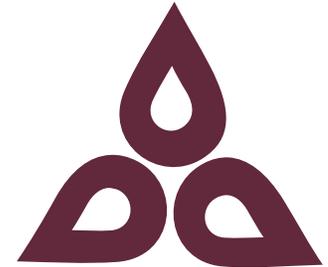
# Profit & Loss Highlights

Consolidated (in INR Cr.)	FY19	FY20	FY21	FY22	FY23
Revenue from Operations	856.27	566.76	614.97	927.34	1,263.97
Total Income	862.21	580.35	619.85	936.74	1,280.12
Total Expenses	804.49	549.55	607.56	917.69	1,239.80
<b>EBITDA</b>	<b>81.82</b>	<b>61.86</b>	<b>51.27</b>	<b>67.49</b>	<b>95.51</b>
D&A	17.47	18.53	21.74	22.62	24.01
<b>EBIT</b>	<b>64.35</b>	<b>43.33</b>	<b>29.53</b>	<b>44.86</b>	<b>71.50</b>
Finance cost	6.63	12.52	17.24	25.82	31.18
<b>PBT (after exceptional items)</b>	<b>57.72</b>	<b>30.81</b>	<b>12.29</b>	<b>19.05</b>	<b>40.32</b>
Total Tax Expense	19.28	(5.20)	3.25	4.83	10.58
<b>PAT</b>	<b>38.44</b>	<b>36.01</b>	<b>9.04</b>	<b>14.22</b>	<b>29.74</b>

# Balance Sheet Highlights

Consolidated (in INR Cr.)	FY19	FY20	FY21	FY22	FY23
<b>Total non-current assets</b>	<b>430.65</b>	<b>474.03</b>	<b>474.28</b>	<b>483.96</b>	<b>488.10</b>
Inventories	141.59	128.14	118.41	158.73	158.19
Trade receivables	121.17	112.62	164.19	240.35	255.92
Cash & cash equivalents	58.65	48.0	65.04	61.39	104.80
<b>Total current assets</b>	<b>351.14</b>	<b>304.52</b>	<b>365.45</b>	<b>479.07</b>	<b>540.37</b>
<b>Total assets</b>	<b>781.79</b>	<b>778.55</b>	<b>839.72</b>	<b>963.03</b>	<b>1028.47</b>
<b>Equity</b>	<b>397.86</b>	<b>422.89</b>	<b>432.80</b>	<b>444.39</b>	<b>471.11</b>
Long-term Borrowings	90.88	141.01	107.47	137.42	100.67
<b>Total non-current liabilities</b>	<b>137.80</b>	<b>174.50</b>	<b>144.50</b>	<b>178.36</b>	<b>144.74</b>
Short-term Borrowings	108.92	84.11	107.23	142.12	203.01
Trade Payables	106.29	80.58	127.96	180.59	182.68
<b>Total current liabilities</b>	<b>246.12</b>	<b>181.16</b>	<b>262.42</b>	<b>340.28</b>	<b>412.62</b>
<b>Total equity and liabilities</b>	<b>781.79</b>	<b>778.55</b>	<b>839.72</b>	<b>963.03</b>	<b>1028.47</b>

**NELCAST**  
**LIMITED**



# Thank You

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