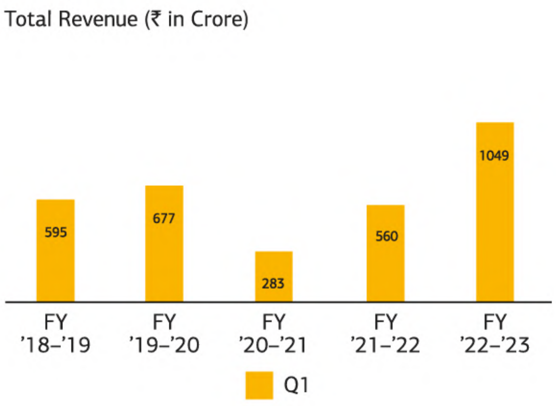
IFB Industries Limited

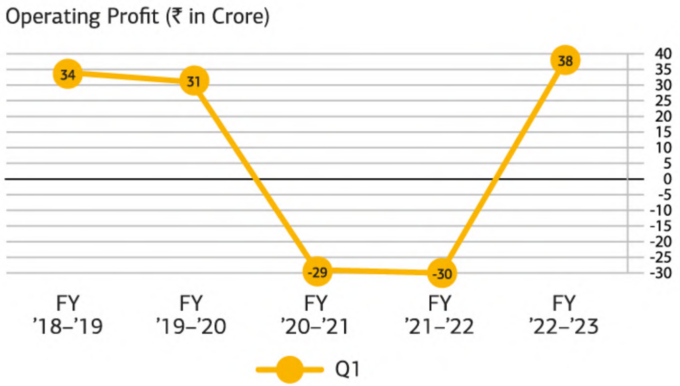
Q1

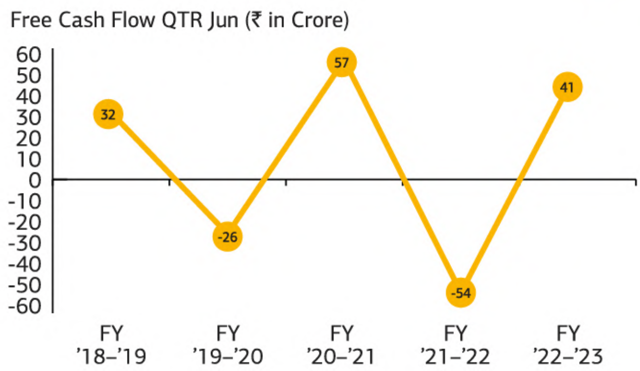
Financial Report

Quarter Ended 30th June, 2022

Trend for the Quarter







Parameters Q1

(₹ in Crore)

Total Revenue ₹1,049.27 +87.5%	Revenue from Operations ₹1,044.77 +88.0%	EBDITA ₹38.44 +253.5%
EBDITA Margin % 3.66 +892 bps	Net Profit Margin 0.19% +775 bps	EPS ₹0.49 +104.7%
Receivables ₹318.48 7.5%	Inventories ₹612.78 7.2%	Accounts Payable ₹895.91 12.3%
Free Cash Flow ₹41.48 +175.69%	RONW +7.8% +3852 bps	Operating Cash Flow ₹44.86 +219.5%

Note Growth/degrowth have been calculated in comparison with last year.

Financial Review Q1

(₹ in Crore)

Particulars	Q1 (FY '22–'23)	Q1 (FY '21–'22)
Revenue from Operations	1054.69	559.53
EBITDA	38.40	-29.41
EBITDA % on Revenue	3.64	-5.26
EBT	3.04	-62.75
EBT % on Revenue	0.29	-11.21
ROCE %	4.42	-22.91

Growth in revenue in first Quarter is INR 495 crore—HAD contributed INR 424 crore towards this growth followed by Engineering's INR 49 crore.

In terms of percentage, growth percentage is 88%.

Growth looks high due to low base, as last year's revenue was adversely impacted by the COVID-19 Second Wave.

Material cost as a percentage to revenue was higher by 4% than last year, due to higher commodity price; which has substantially impacted the margin.

Operating expenses increased based on higher travel cost and promotion expenses.

Decline in gross margin and higher operating expenses reduced the EBITDA margin.

Balance Sheet

Total borrowing was INR 214.90 crore as on Quarter end date including term loan amount of INR 149.49 crore. Break-up of borrowing is as follows:

Borrowing

(₹ in Crore)

Loan Type	Value	Banker	Purpose	Tenure
ECB	87.14	Standard Chartered	AC Project	Five Years
Rupee Term Loan	0.85	Federal Bank	Steel Division	Five Years
Rupee Term Loan	28.25	DBS Bank	Engineering Division	Five Years
Rupee Term Loan	33.25	ICICI Bank	Stamping Division	Seven Years
Working Capital Buyers Credit	51.58	SCB	Home Appliances	
Working Capital Demand Loan	13.83	HDFC	Home Appliances	
Total	**214.90**			

ECB Loan (INR 141 crore) taken from SCB for our AC plant came down to its current position after making a pre-payment of INR 28.32 crore in January 2021 and three principal payments in October 2021, January 2022 and April 2022.

Term loan (INR 70 crore) taken from DBS for our Engineering business was partly pre-paid in December 2020 to reach a balance of INR 47.10 crore. Thereafter, principal payments were made during the year and the current balance is INR 28.25 crore.

The first instalment of the Stamping Division Loan (INR 35 crore) taken from ICICI Bank was paid in May 2022 to reach its current position of INR 33.25 crore.

We will reduce the working capital debt by INR 65 crore by 15 September 2022 and thus the overall debt will come down from INR 215 crore to INR 137 crore after considering the principal payments of the September Quarter.

In addition to the normal principal payment, our target is to pay off the entire debt of INR 28 crore (which pertains to our Fine Blanking Division) by 31 December, 2022.

Against the aforesaid borrowing, as on 30 June, 2022, our Cash and Bank Balances (including investments in Mutual Funds) were at INR 336.39 crore. Hence, the Company remained debt free on a net basis as on the last day of the First Quarter, FY '22–'23.

The break up of this is given below

Break-up of cash & bank balances (including investments in Mutual Fund)

Cash and Bank Balances	₹107.60 Crore
Investments in Mutual Fund	₹228.79 Crore
Total	**₹336.39 Crore**

We have inefficiencies of INR 75 crore in working capital as on 30 June, 2022, due to sales being below expectation. The situation is expected to improve by November after the festive season will be over. The Engineering Division has similar inefficiencies of over INR 30 crore, which will be significantly reduced by 31 December, 2022 and this will be used to pay off debts.

Market Conditions

Home Appliances Division

• Market demand was robust in the Q1 period. The cooling product demand was strong and the demand was also helped by the latent demand from the last two seasons which were affected by COVID-19. The overall demand scenario in the medium term remains healthy and there is continued growth in demand for higher end capacities especially in the Tier 2 and Tier 3 towns—which has been a trend from 2020 onwards.

• The pressure on inputs remains high and the impact of this continues to keep margins under stress. We have addressed selective price increases in our products in the month of May '22. With the forex situation in Q1 and also the continued pressure in areas like plastics etc, there may be more price hikes in Q2 and Q3. It is expected that the reducing commodity price trends in areas like steel and a reduction in sea freight may reduce the overall pressure on the material cost areas.

• The Company's approach to the market will also be focused on the introduction of new models and a selective and focused approach to customer finance options, including zero down payments and long-term EMI schemes.

• The introduction of the new energy norms in the Air Conditioning segment will result in a transition period—both in pricing terms and also a shift of focus from the current models/volume segments to newer star ratings and price points over the Q2 and Q3 periods.

Business Update

Home Appliances Division

In Q1, the product range in the market was expanded by the Company. In the Washer category, the Company ensured complete market coverage with its Front and Top Load models with the unique Steam feature—driving adoption of programs and habits of hygienic washing. The Front Load models with the Steam feature across the entire range and the Top Load models with built-in heaters and Steam function have been very well received in the market and helped the Company to gain shares in the Quarter with respect to previous Quarters. In the Industrial segment, the introduction of the Washer Extractor and Dryer models in the unique 11 Kg capacity segment, targeted at semi-commercial and commercial laundry segments has been ramped up. The introduction of the new range of industrial washing machines with the patented Xeros technology, which uses significantly lower water, detergent and chemicals, has helped the enquiry book to widen as many customers are now focused on sustainable laundry solutions.

The new format of the IFB Points is being executed for all new stores and a programme for changeover of all existing stores to the new design has also been started—in this fiscal year, we will changeover a hundred of the existing stores to the new design format. This will be completed by the end of the fiscal year FY '23. The IFB Point count is at 515 stores to date. We are working to improve productivity and the customer experience in each store.

Market Conditions

Engineering Division

Business environment in Q1 FY ’22–’23 improved marginally due to decrease in commodity prices and thereby decrease in vehicle price leading to early signs of recovery.

The demand trend in the 2nd Quarter FY ’22–’23 will depend on following points:

- In spite of a strong customer demand, chip shortage etc may not allow OEMs to fulfil the total demand.

As far as 4-Wheeler demand is concerned all OEMs are expected to go for higher numbers with the advent of the festive season. As far as 2-Wheeler demand is concerned, it is expected to improve over the previous Quarter.

- Vehicle scrapping policy is expected to create an increase in demand for 4-Wheelers.

- CV demand is expected to improve going forward as investment in Infrastructure increases. It is expected to have a significant increase in demand which should hover around double digit growth.

- Electric Vehicles will grow in the scooter segment, but is facing challenges now in new vehicle launches etc. Recent instances of EVs catching fire and other issues have raised some doubts in customers’ minds—whether to buy now or later. The Q1 FY ’22–’23 figures of scooters are in the same level as they were in Q4 of ’21–’22.

Overall, the automotive segment is expected to have a moderate growth in the coming Quarter.

Business Updates

Engineering Division:

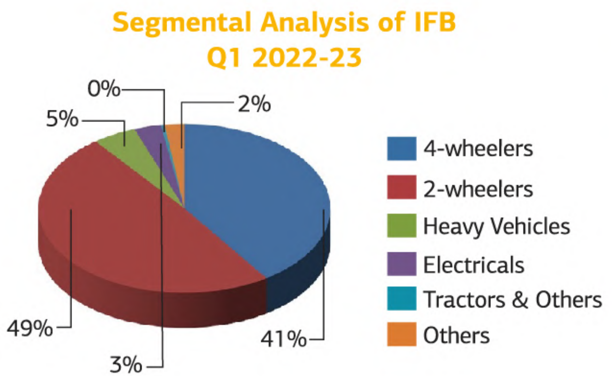
In Q1, the Automotive Market had improved Sales as compared to previous Quarter

- The semi conductor shortage situation has improved as compared to earlier months.

- The commodity prices increased in April '22, but in the subsequent 2 months there was a decrease which led to an overall decrease on a quarterly basis.

- This trend is expected to continue in Q2 also, which will increase the festive demand.

- There is a positive trend in the automotive market which is due to the sentiment having improved on account of decline in COVID-19 cases.



RANGE OF PRODUCTS (Home Appliances Division)

The Division's range of products covers both domestic and industrial application categories.
The updates at the end of the 1st Quarter for each of the product categories are given below:

- **Front Load Washing Machine**

The range has unique products addressing a range of customer needs and is well differentiated in the market based on features, aesthetics and performance. The significant rise in commodity price has led to a steep increase in prices over the last few Quarters. The Q1 of the last year was also affected by the second COVID-19 Wave and there were market disruptions. Over the last two years, there has also been a change in the demand pattern. There is a demand for higher capacity products and awareness of categories which help in maintaining hygiene (eg Steam models in Washers, the Washer Dryer Refreshers etc). As at the end of the 1st Quarter in the current year, we continue to see a healthy demand for the Company's product range.

The Company's key task is to increase its market share. This will happen on two heads. The first is on the product front. This includes the new Steam enabled range. In addition, a new range of washers with Inverter motor technology/WiFi is in development and is planned for roll out in phases starting from the end of Q4 '22–'23, with 100% implementation by Q3 FY '24. We are also working on IoT/AI introductions and the roll out is from the Q3 FY '22–'23. The second head of action for market share increase is on the sales process front. This is in areas of product availability and placements which are being driven through channel expansion, adequate manning and a drive on extraction from the distribution network as well as increase in revenue shares from the large key accounts. We have started the introduction of the Front Load washing machines in the 9 Kg category. This category is at ~70–80k pa in volume terms at present. We aim to take high shares in this segment and we have started placing new models in this segment in the market. This will be further supported by the introduction of high end models in this segment with models in 9 and 10 Kg range in Q3 of FY '22–'23. Our focus is specifically on more extraction from existing counters in this category.

- **Top Load Washing Machine**

Our models with in-built heaters and Steam enabled washing programs have been well received. There is an increasing demand for models of higher capacities, which has been a consistent trend in the last two years. The key focus here is in expansion of placements and making the models more available to customers. We will be introducing 12 Kg Washers in this category in the coming festive season.

- **Clothes Dryers**

The Clothes Dryer sales have been good in the Quarter. We have introduced colour machines in Red, Yellow and Mocha to this category, offering unique combinations of Washers and Dryers to consumers. Also we have planned to upgrade this category with Heat Pump Technology in FY ’23–’24 which will be ready for market introduction by end of the next fiscal year.

- **Washer Dryer Refresher**

This product has a unique global platform and India’s first 3-in-1 product offering which has Washing, Drying and Refreshing, all in one. It has a capacity to wash 8.5 Kg, dry 6.5 Kg and refresh 2.5 Kg laundry. The product has been placed in 1,500 outlets and is clocking an average monthly sale of ~1,300 units. The placement will be increased to 2,500 outlets by end of Q2. We have planned to develop new models in this category to cater to larger market segments by end of FY ’22–’23.

- **Dishwashers**

The domestic Dishwasher segment has seen a reduction in demand from previous Quarters. In terms of placement, we are now placed in ~3,000 counters. Although the market demand has reduced, we are driving placements in the distribution network to a level of ~4,500+ counters. We are also launching a demand creation and market share increase programme in this category from Q2. The campaign will be targeted to all potential customers wanting to purchase a Dishwasher, with attractive EMI offers. Also, we continue to have attractive exchange offers for our 8+ years customers.

- **Industrial Segment—Laundry & Dishwashing Equipment**

IFB has the most comprehensive solution for all aspects of a commercial laundry setup. Our teams understand customer requirements in terms of layout preparations, installations and post warranty AMC Support. Our customers are from verticals like hotels, educational institutions, medical institutions, defense, pharmaceuticals, railways etc. The IFB equipment/range serves them with better reliability and durability and also addresses all needs—from washing to finishing, with the help of equipment's like Washer Extractors, Tumble Dryers, Flat Work Ironers, Folders, Body Presses, Dry Cleaning Machine, other accessories etc. The recently launched Xeros Technology enabled washer extractors offer significant savings in water, power and energy consumption with additional savings such as increasing fabric life by about 2 years—which is beneficial, especially for hoteliers. We have also started exporting the Xeros Technology enabled machines to UAE, UK and France.

The Company continues to enjoy dominant market share across all customer segments, including healthcare, defence establishments, bars, restaurants, large institutions, hotels etc. We received Dishwasher orders across India from customers like M/s Wipro, Capgemini and Amazon. We have signed multiple pan India contracts with chains like M/s Paradise Biryani and others.

As an outreach to all institutional buyers, in Q1, we participated in two exhibitions—Aaahar 2022 in Delhi and World of Hospitality 2022 in Bangalore. We showcased our new technology machines with Xeros technology. The response was very good and customers were very impressed with the utilities savings as well as improved fabric care. This has helped in creating a strong order book at the end of Q1 FY '22–'23. The Company has also received a high-end/complex solution driven laundry system order from M/s Bharat Biotech for their two locations.

• **Microwave Ovens**

IFB continues to be among the top three dominant players in this category. The key delivery targets ahead in this fiscal year are to complete the new model introductions, including models with new technology to improve the cooking process.

The Quartz Oven with advance cooking technology has been launched in mid June 2022. This delivers the best performance processes like Grilling, Roasting and Baking functions. The 23 l convection model has been upgraded with air fryer technology, for oil free cooking recipes and will be launched in Q2.

The business has been expanded for multiple geography sourcing—this will also de-risk supplies and provide more options to the business going forward—with new capacity points and a wider selection choice for consumers.

• **Built-in Ovens, Chimneys and Hobs**

The Kitchen Appliances built-in segment had recorded a growth of ~52% in the fiscal year FY '21-'22. The focus from the last year has been on the placement of these products with a proper display in counters. We are now placed in ~550 MBO counters, and an additional ~515 no of the IFB Points. The IFB Points account for ~40% of sales in this category. The Kitchen Appliances category is a key segment for expansion and is also accretive to margins.

The sales turnover for the Q1 of FY '22–'23 was INR 7.8 crore with a growth of 172% over LY. Our target is to achieve monthly sales of INR 5 crore by end Q3 of the this fiscal year. In this category, we were not able to meet demand in Q1, due to the shipping crisis and the pandemic-led situation at the suppliers' end. This has improved from end of Q1.

- **Air Conditioners**

The new energy regulations are effective from 1st July ’22. There would be a complete change in the product range from July ’22 onwards. This includes products at new capacity points like 1.5 T 4-star, 1.6 T 3-star ACs etc.

In first Quarter of ’22–’23, we sold a volume of 68,000 under the IFB Brand and another 34,000 units to OEMs. The product range is well received in the market and is differentiated and benchmarked to the best in the industry. The quality and performance levels of the product range have been acknowledged to be among the best-in-class. The new line up from July ’22 will strengthen the range placements in the channels such as distribution, key accounts and also smaller multi-brand/SSD channels.

We need to give focus on margins in the period from July ’22 to Mar ’23 where we have lined up cost innovation ideas. The losses on this segment have been significant in the FY ’21–’22 and in the Q1 FY ’22–’23 as well. This will be addressed for sustained profitability in this segment from Q2 onwards.

The Company has invested INR 167 crore in the AC plant and Loss at PBT Level till date is INR 178 crore. We will reduce material cost and increase sales in order to become profitable.

A specific, geography by geography, plan has been put in place for marketing and selling ACs. We have made inroads to increase market penetration from this season period. We will continue to invest in brand building with the aim to grow the segment to the target level of ~220k of domestic brand sales by the end of March ’23. OEM sales are over and above this and are expected to be in the range of 180k units in this fiscal year. One of the key focus areas for the AC segment is to grow the sales in the institutional/SSD verticals and we are putting a focussed effort on this from Q2 onwards.

Financial Summary of Home Appliances Division (including Bommassandra, Motors & Inter unit)

(₹ in Crore)

Particulars	Q1 (FY '22–'23)	Q1 (FY '21–'22)
Revenue from Operations	857.60	433.62
EBITDA	28.17	-31.94
EBITDA % on Revenue	3.28	-7.37
EBT	1.56	-56.24
EBT % on Revenue	0.18	-12.97
ROCE %	5.51	-31.68

- Revenue hike by 98% is a significant growth over the LY. However, LY was affected by the COVID-19 lockdowns

- EBITDA is below expectation due to the following reasons:

1) Higher commodity prices which impacted gross margin by 4% as a percentage to sales. Its impact on gross margin was INR 32 crore during the Quarter. Pricing corrections have been taken in May '22.

2) CSR expenses, travel cost and promotion cost increased by INR 5 crore (due to additions for growth), INR 5 crore (travel normalised in current year) and INR 3 crore (increase in digital spends) respectively.

3) Loss in the AC segment (PBT Loss of INR 20.80 crore in Quarter 1) also had a significant impact on the overall profitability of the Division. However, as reported earlier, we will make it profitable by increasing sales and reducing material cost.

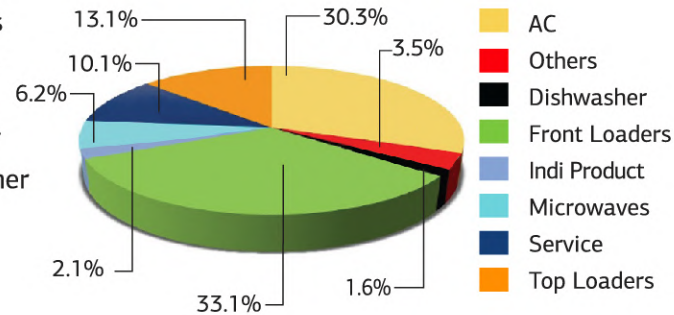
4) In areas of consumer finance, we need to use available finance schemes more judiciously and also cut back in some areas—these changes have been put in place from May '22.

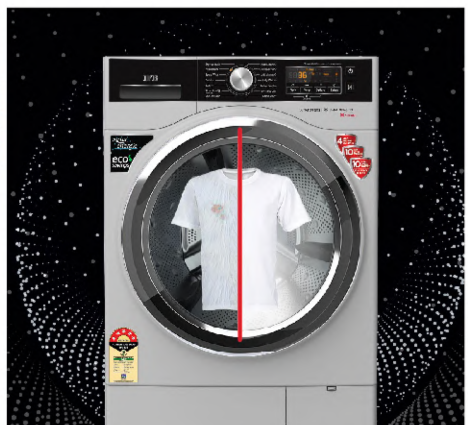
Our task is to significantly grow FL, TL and AC sales and for MWOs to keep momentum in volumes.

In Kitchen Appliances, our target is to have INR 5 crore sales per month and we are driving placements in the distribution network For DWs, as written, we are increasing placements to 4,000 plus counters to sell ~5–6k Dishwashers per month.

AC revenue share was higher in the First Quarter due to higher sales in Q1.

QTR Product-wise spread in Home Appliances Division





Financial Summary of Fine Blanking Division

(₹ in Crore)

Particulars	Q1 (FY '22–'23)	Q1 (FY '21–'22)
Revenue from Operations	126.00	88.09
EBITDA	16.12	8.69
EBITDA % on Revenue	12.79	9.86
EBT	7.01	0.11
EBT % on Revenue	5.56	0.12

- For Q1 in '22–'23, the Fine Blanking Division achieved a revenue of INR 126 crore as compared to INR 88.09 crore in the corresponding Quarter of last year which resulted into growth of 43% over corresponding Quarter.
- PBDIT for Q4 is INR 16.12 crore (12.8%) as compared to INR 8.69 crore (9.86%) during the same period of last year.
- Price settlements for Q1 will add INR 0.90 crore to PBDIT of Q2.
- PBT is INR 7.01 crore (5.6%) as compared to INR 0.11 crore (0.1%) during the same period of last year.
- Business environment in 2nd Quarter FY '22–'23 is expected to improve due to the following reasons:

1) Vehicle scrapping policy will lead to an increase in demand for 4-Wheelers.
2) CV demand is expected to improve going forward as investments in Infrastructure increase. It is expected to have a significant positive impact in demand which should hover around double digit growth.

Overall the automotive segment is expected to have a moderate growth in the coming Quarter with the start of the festive season.

Our target is to take monthly sales to INR 60 crore. We have the capacity in place, there may be some small additions in areas like Heat Treatment as required—in case, we do insourcing instead of outsourcing. Capex was finalised before COVID-19 and in the last two years, semi conductor shortages hit our industry badly.

Financial Summary of Stamping Division

(₹ in Crore)

Particulars	Q1 (FY ’22–’23)	Q1 (FY ’21–’22)
Revenue from Operations	16.23	10.22
EBITDA	2.19	0.56
EBITDA % on Revenue	13.49	5.48
EBT	-0.17	-1.25
EBT % on Revenue	-1.05	-12.23

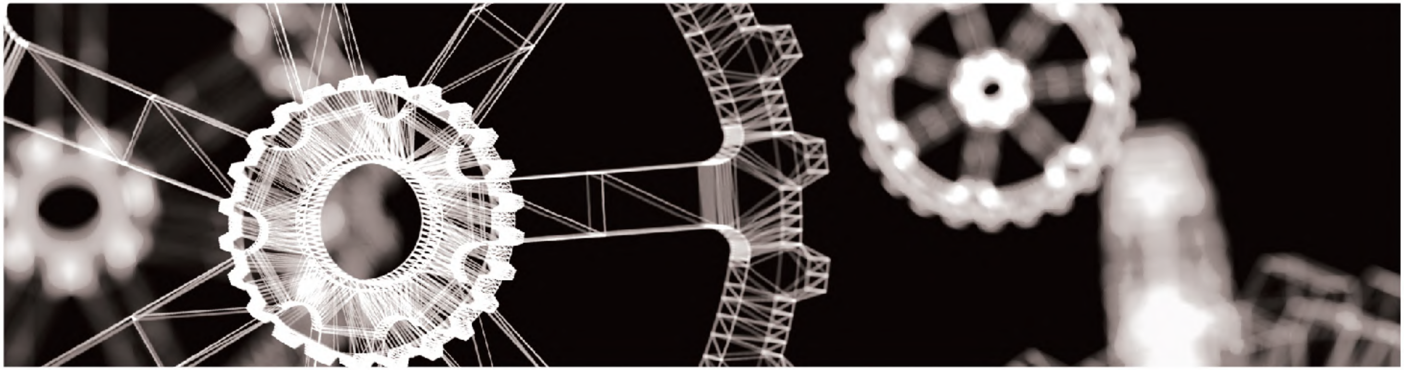
- For Q1 2022–23, the Stamping Division has achieved revenue of INR 16.23 crore as against last year’s INR 10.22 crore which resulted in a growth of 59% over the corresponding Quarter.
- PBDIT for the Q1 is INR 2.19 crore (13.5% on revenue) as against last year’s INR 0.56 crore.
- PBDIT was below expectation because of revenue shortfall.
- Stamping Division is expected to be at INR 7–8 crore revenue per month with a PBIDT of 15% plus October 2022 onwards.
- This is in line with the takeover target set while taking over Stamping Division from IFB Automotive 30 August, 2019.
- However, we are delayed by three years mainly due to impact of COVID-19 which affected the OEM output.
- Increase in the Stamping business is due to the addition of new customers—however, marketing needs to be more aggressive to bring in new orders. Once we achieve INR 8 crore sales per month, then the capacity will be fully utilised. Increasing sales to INR 12 crore per month etc needs to be thought through as this involves Capex however, first we will stabilise before taking a decision on fresh investment.
- The Fine Blanking and Stamping Divisions need to think about future business, taking in to account EVs etc. We need to look for acquisitions which will help us to grow, give us technology and market access, if we get them at the right price.

Financial Summary of After Market Division

(₹ in Crore)

Particulars	Q1 (FY '22–'23)	Q1 (FY '21–'22)
Revenue from Operations	16.23	7.81
EBITDA	-1.99	-0.71
EBITDA % on Revenue	-12.26	-9.09
EBT	-2.08	-0.79
EBT % on Revenue	-12.82	-10.12

- During this Quarter, AFM achieved revenue of INR 16.23 crore as compared to INR 7.81 crore in last year resulting into a growth of over 100%.
- PBDIT was negative due to high material cost.
- The Division is working on reduction in material cost and increase in MRP in order to be EBITDA positive.



Financial Summary of Engineering Division

(₹ in Crore)

Particulars	Q1 (FY '22–'23)	Q1 (FY '21–'22)
Revenue from Operations	150.96	102.30
EBITDA	16.40	8.57
EBITDA % on Revenue	10.86	8.38
EBT	4.80	-1.91
EBT % on Revenue	3.18	-1.87
ROCE %	8.97	1.14

- In Quarter 1 revenue growth looks high due to low base.
- Operating PBDIT for Q1 is INR 16.40 crore (10.9%) as compared to INR 8.57 crore (8.4%) during the same period of last year.
- PBDIT was below expectation and it is due to contribution loss because of hike in material price.
- Settlement of the pending price increases will improve the current PBDIT of 10.90% to 11.40%.
- There is strong possibility of higher margin going forward as markets have opened up comparatively and automotive market is expected to do well in coming Quarters.
- We will also bring down debts significantly from the current level of INR 61 crore (FB INR 28 crore and Stamping INR 33 crore) by December 2022.

Motor Division

Appliance Motor Sales are not reported separately as they are internal to the Home Appliance Division. Once a new BLDC motor line comes up we will be selling to others including the competition. During the Quarter the Appliance Motor Division could partially recover costs from the Home Appliance Division, but this is not sufficient to cover for increase in commodity prices that had happened over the last four Quarters. New BLDC motors are competitively priced and should generate cash from the beginning.

In Q1, the market picked up as expected, but we anticipate a drop in demand for Q2 in the Automotive Division. Automotive customers have signalled the launch of many new models which will improve our sales from Q3 onwards.

The Division has made a strategy to work towards achieving energy conservation in the near future. In order to achieve this goal, all the appliance motors will be replaced by energy efficient BLDC motors, which will save energy and have relatively lower noise, higher reliability etc.

The Appliances Motor Division is investing in production lines to manufacture next generation BLDC motors. The new lines will be capable of producing motors for use in Washing Machines and Air Conditioners. Lines will have the capacity to produce one million motors for use in Washing Machines and Air Conditioners respectively. Motor manufacturing lines are under production and we intend to start commercial production from September onwards.

Our range of BLDC motors for Washing Machines can cater to a wide range of washing machine capacity starting from 5 Kg machines to 10 Kg machines. The line can produce motors for both Front load as well as Top load applications. Targeted customers for washing machine BLDC motors are Samsung, Whirlpool, Electrolux, Vestal etc and we are in discussion with all the OEM's to cater to their BLDC motors requirements.

BLDC motors for Air Conditioner will cater to a wide range of Air Conditioner capacities starting from 0.8 tons to 2.0 tons. The lines can produce for both IDU and ODU applications. For Air Conditioner BLDC motors, we are in discussion with various OEM's like Voltas, Blue Star, Panasonic, Hitachi, Carrier Midea and Daikin to cater to their BLDC motor requirements.

Financial Summary of Automotive Motor Division

(₹ in Crore)

Particulars	Q1 (FY '22–'23)	Q1 (FY '21–'22)
Revenue from Operations	18.76	9.95
EBITDA	1.32	-1.13
EBITDA % on Revenue	7.04	-11.36
EBT	0.96	-1.62
EBT % on Revenue	5.12	-16.28

- During Q1 of FY '23, the Automotive Motor Division achieved a turnover of INR 18.8 crore, recording a growth of 90.1%.

- Consumption percentage reduced in the Division due to settlement of pending price increase in the current Quarter from customers and also favourable product mix.

- In this Division also, we need to reach a monthly turnover of INR 8 crore to ensure higher margin.

Financial Summary of Steel Division

(₹ in Crore)

Particulars	Q1 (FY ’22–’23)	Q1 (FY ’21–’22)
Revenue from Operations	35.45	20.04
EBITDA	0.54	0.65
EBITDA % on Revenue	1.52	3.24
EBT	0.06	0.16
EBT % on Revenue	0.17	0.80

- During Q1, revenue was INR 35.45 crore as compared to INR 20.04 crore resulting in a growth of 78%.
- Operating PBDIT for Q1 was INR 0.54 crore (1.5%) as compared to INR 0.65 crore (3.2%) during the same period of last year.
- However, in the last year, there was a backlog price correction for an amount of INR 0.62 crore which pushed the PBDIT for the Quarter upward.
- The current Quarter’s PBDIT was below expectation due to steep increase in steel and consumable prices.
- With upgradation of the equipment leading to improvement in process yield and increase in production levels (by the end of Q4 FY ’22–’23) along with a strict control over fixed cost, PBIDT will improve.
- With Capex in place and volume expansion from 1400 Mt/month to 2500 Mt/month, a further improvement of the PBIDT percentage will be achieved.
- The Division supplies material to the Fine Blanking Division and has been very helpful in terms of getting steel at the right quality, price and quantity. It is a strategic Division for us. However it does supply to external customers also. Revenue Share to external parties stands at 35% in Quarter 1, as against last year’s 25%.

Subsidiaries

IFB Industries Limited, the Holding Company, has one wholly owned subsidiary–Global Automotive and Appliances Pte Ltd (GAAL), and one step-down subsidiary, Thai Automotive and Appliances Limited (TAAL).

Global Automotive & Appliances Pte Ltd (GAAL)

(₹ in Crore)

Particulars	Q1 (FY '22–'23)	Q1 (FY '21–'22)
Revenue from Operations	13.09	5.39
EBITDA	0.59	0.86
EBITDA % on Revenue	4.50	15.96
EBT	0.59	0.86
EBT % on Revenue	4.50	15.96

GAAL has expanded its operations to source electronic components. Profit declined in spite of higher revenue and this is due to higher material cost and hike in operating expenses.

Why it is strategic to have an establishment in Singapore

• Having an office there gives us credibility in dealing with global companies that have their regional headquarters in Singapore and this gives us access to all the other ASEAN companies who also have their offices there.

• Face-to-face communication in a fast-changing environment helps.

• Singapore is a hub for shipping and banking, which will help us in the long-term.

• In this fiscal year, the global crisis of chips for appliances would have hit us hard, had our Singapore office not helped us with sourcing. Many global automobile companies faced production disruptions due to chip shortages etc.

Thai Automotive & Appliances Limited (TAAL)

(₹ in Crore)

Particulars	Q1 (FY '22–'23)	Q1 (FY '21–'22)
Revenue from Operations	9.74	10.99
EBITDA	0.20	0.69
EBITDA % on Revenue	2.05	6.28
EBT	-0.40	0.10
EBT % on Revenue	-4.11	0.91

TAAL is engaged in manufacturing auto components through the Fine Blanking process.

• During the Quarter, revenue had marginal degrowth and this was reflected in the PBDIT as well as in the cessation of business worth 5 million THB per month with 2 companies.

• Thai Automotive is looking for scope to enhance business volume through increased marketing efforts as given below.

• Visited Borg Warner Thailand to explore further Business Opportunities. In addition to the Gear Drive, which we had quoted, shims and washers are potential products for Fine Blanking as a part of their global sourcing. We will obtain samples to see feasibility.

• Visit to Bearing Companies is scheduled in July and August 2022.

• Scope of expansion of business with Autoliv Thailand is being examined as all the Business of Autoliv Korea has been transferred to Thailand.

- Against the turnover of 183 million THB in the FY 2021-22, TAAL has budgeted revenue of 239 million THB in the FY ’22–’23 which resulted into growth of 33% over the last year.

- New Initiative Planned in FY ’22–’23:

1) TAAL is engaged in developing 20 new part numbers, which will go for mass production through this year.
3 part numbers out of 20 began mass production in June and will reach its peak volume in Q2. This will compensate for a part of the business being phased out last year and will ensure that monthly business will be at profitable level in Q2.

2) Through Q1, TAAL received RFQ of 60 part numbers. Sourcing activities at our potential customers are becoming more active as compared to last year.

3) As far as the After Market is concerned, TAAL has been in discussion with Vietnam distributors through Japanese trade firm. Distributors in Thailand are also under discussion. Our target is to materialise the first After Market sales in Q3.

- Since we have unsold capacity, we will give a clear view of the projection for the coming 18 months in the next Investors-Presentation.

STANDALONE INCOME STATEMENT

QTR (₹ in Crore)

	30 Jun, '22	30 Jun, '21
Total Sale of Products	1,267.85	655.66
Less: Trade Scheme and Discounts	271.38	134.54
Net Sales	**996.47**	**521.12**
- Sale of Services	24.28	20.54
- Other Operating Revenues	24.02	14.06
Revenue from Operations	**1,044.77**	**555.72**
Other Income	4.50	3.81
Total Income	**1,049.27**	**559.53**
EBDITA	**38.44**	**(29.45)**
EBDITA Margin (%)	3.66	(5.3)
Depreciation and Amortisation Expense	28.12	25.86
EBIT	**10.32**	**(55.31)**
EBIT Margin (%)	1.0	(9.9)
Finance Costs	7.22	7.47
Profit Before Tax	**3.10**	**(62.78)**
Profit After Tax	**1.99**	**(42.30)**
PAT Margin (%)	0.2	(7.6)
Total Comprehensive Income (TCI)	**1.54**	**(43.39)**
Total TCI Margin (%)	0.15	(7.75)
No of Shares (in crore)	4.05	4.05
Earnings Per Share (₹) (Not Annualised)	0.49	(10.44)

STANDALONE BALANCE SHEET

(₹ in Crore)

	30 Jun '22	31 Mar, '22
ASSETS		
Property, Plant and Equipment*	669.80	685.54
Investment in Subsidiaries	21.60	21.60
Investment in Equity Shares	2.25	2.25
Inventories	612.78	571.65
Investment in Mutual Funds	228.79	227.22
Trade Receivables	318.48	296.39
Cash and Bank Balances	107.60	87.43
Other Assets	134.60	106.64
TOTAL	**2,095.90**	**1,998.72**
EQUITY AND LIABILITIES		
Equity Share Capital	41.28	41.28
Other Equity	597.45	595.91
Borrowings	226.29	232.99
Trade Payables	895.91	798.00
Other Provisions and Liabilities	334.97	330.54
TOTAL	**2,095.90**	**1,998.72**

* Including CWIP, Right of Use Assets, Investment Property, Goodwill, Other Intangible Assets and Intangible Assets Under Development

STANDALONE KEY RATIOS

	QTR	
	30 Jun, '22	30 Jun '21
Earnings Per Share (In ₹) (Not Annualised)	0.49	(10.44)
Book Value per Share (In ₹)	157.64	157.33
Current Ratio (#)	1.16	1.17
Quick Ratio (#)	0.63	0.63
EBDITA/Total Income (%)	3.7	(5.3)
Net Profit Margin (%)	0.2	(7.6)
Net Worth (In crore)	527.65	553.86
RONW (%) (On PAT)	0.4	(7.6)
Return on Capital Employed (%) (On EBIT)	1.1	(5.9)
No of Equity Shares (In crore)	4.05	4.05
Closing Market Price on Period End	899.60	1,040.70
Market Capitalisation (In crore)	3,645.07	4,214.84
Head Counts (Numbers)	2,640.00	2,594.00
Total Income Per Employee (₹ in lakh)	39.75	21.57
PBT Per Employee (₹ in lakh)	0.1	(2.4)
Fixed Asset Turnover Ratio	7.7	4.0
Days Sundry Debtors Outstanding	22	39
Inventory Holding (In Days)	44	77

(#) includes current Investments and Current Borrowings

STANDALONE CASH FLOW STATEMENT

QTR (₹ in Crore)

	30 Jun, '22	31 Mar, '22
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	**3.09**	**(76.72)**
Non-Cash and Other Adjustments	26.91	128.41
Operating Profit/(Loss) Before Working Capital Changes	30.00	51.69
Movement in Working Capital	15.28	(1.01)
Cash Generated from/(Used in) Operations	45.28	50.68
Income Taxes Paid	(0.42)	(5.43)
Net Cash Generated from/(Used in) Operating Activities	**44.86**	**45.25**
Net Cash Generated from/(Used in) Investing Activities	**(16.89)**	**(26.01)**
Net Cash Generated from/(Used in) Financing Activities	**(12.08)**	**(49.81)**
NET CHANGE IN CASH AND CASH EQUIVALENTS	**15.89**	**(30.57)**
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	**64.79**	**95.36**
CASH AND CASH EQUIVALENT AT THE END OF THE PERIOD	**80.68**	**64.79**

CONSOLIDATED HIGHLIGHTS

(₹ in Crore)

	Q1 ('22-'23)	Q1 ('21-'22)
Total Income	1,071.73	575.79
Earning Before Depreciation, Interest and Tax	39.06	(27.81)
Earning Before Interest and Tax	10.44	(54.17)
Profit Before Tax	3.13	(61.73)
Profit After Tax	1.90	(41.25)
Earnings Per Share (₹) (Not Annualised)	0.47	(10.18)
Cash and Liquid Investments	340.41	350.24

CONSOLIDATED INCOME STATEMENT

QTR (₹ in Crore)

	30 Jun, '22	30 Jun, '21
Revenue from Operations	**1,067.40**	**572.04**
Total Income	**1,071.73**	**575.79**
EBDITA	**39.06**	**(27.81)**
EBDITA Margin (%)	3.64	(4.83)
EBIT	**10.44**	**(54.17)**
EBIT Margin (%)	1.0	(9.4)
Profit Before Tax	**3.13**	**(61.73)**
Profit After Tax	**1.90**	**(41.25)**
Attributable to Owners of the Parent	1.90	(41.25)
Total Comprehensive Income (TCI)	**1.66**	**(42.34)**
Attributable to Owners of the Parent	1.66	(42.34)
Earnings per Share (₹) (Not Annualised)	**0.47**	**(10.18)**

CONSOLIDATED BALANCE SHEET

(₹ in Crore)

	30 Jun, '22	31 Mar, '22
ASSETS		
Property, Plant and Equipment*	696.71	712.76
Investment in Equity Shares	2.25	2.25
Inventories	618.39	576.82
Investment in Mutual Funds	228.79	227.22
Trade Receivables	340.10	310.31
Cash and Bank Balances	111.70	92.99
Other Non-current Assets	135.72	108.11
TOTAL	**2,133.66**	**2,030.46**
EQUITY AND LIABILITIES		
Equity Share Capital	41.28	41.28
Other Equity	608.64	606.98
Borrowings	231.83	238.61
Trade Payables	914.85	811.99
Other Provisions and Liabilities	337.06	331.60
TOTAL	**2,133.66**	**2,030.46**

*Including CWIP, Right of Use Assets, Investment Property, Goodwill, other Intangible Assets and Intangible Assets under Development.

Thank You

Disclaimer

This presentation contains statements which reflect the Management's current views and estimates and may be construed as forward-looking in nature. The future involves certain risks and uncertainties that may cause actual results to differ materially from the current views being expressed. Partial risks and uncertainties include such factors as general economic conditions, commodity prices and currency fluctuations, competitive product and pricing pressures, industrial relations and regulatory developments.

OVER **6 MILLION** SATISFIED CUSTOMERS

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