



26<sup>th</sup> July 2024

**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 Limited**

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

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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

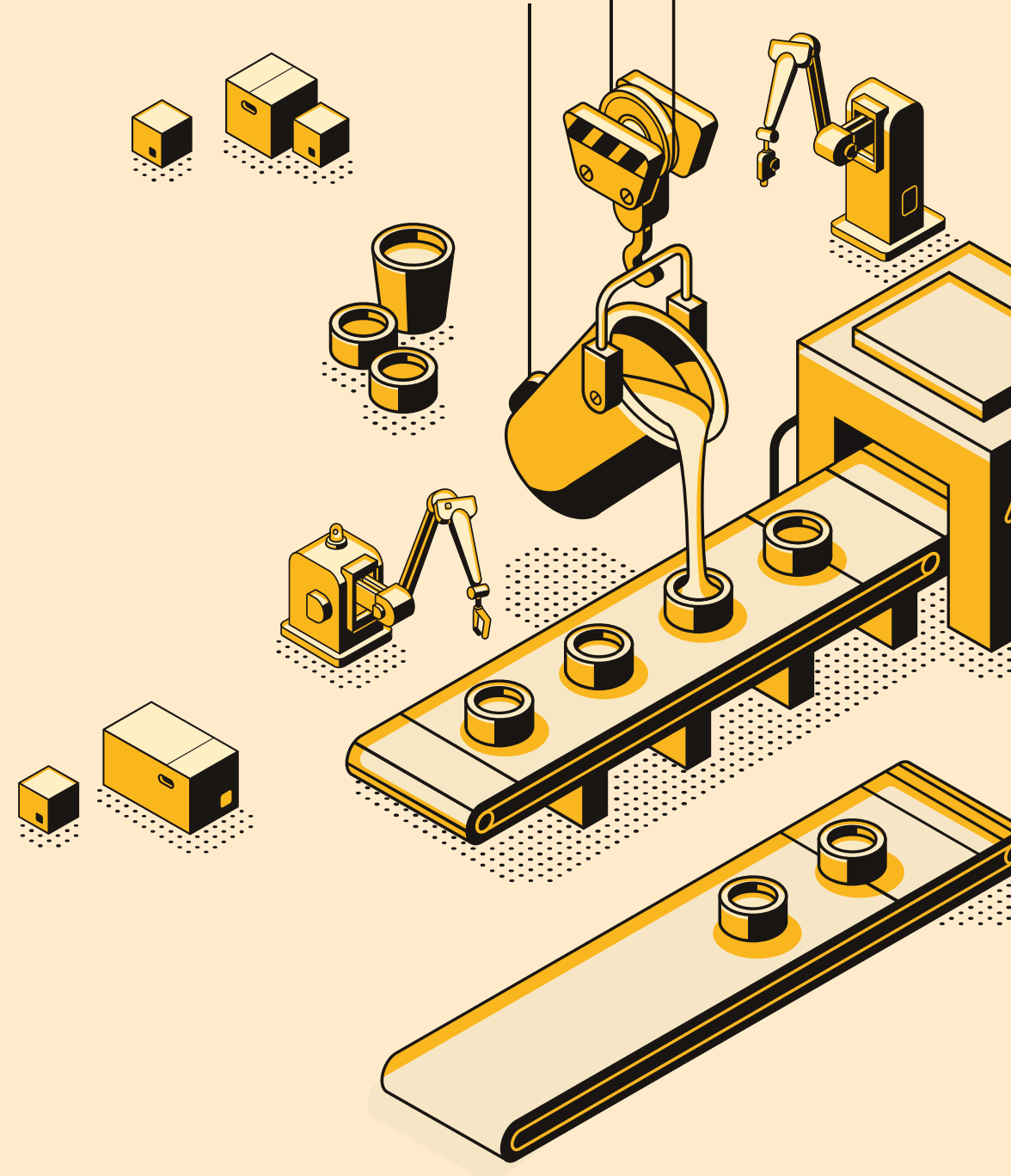
**NELCAST**  
LIMITED



# Investor Presentation

Q1FY25 | July 2024

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

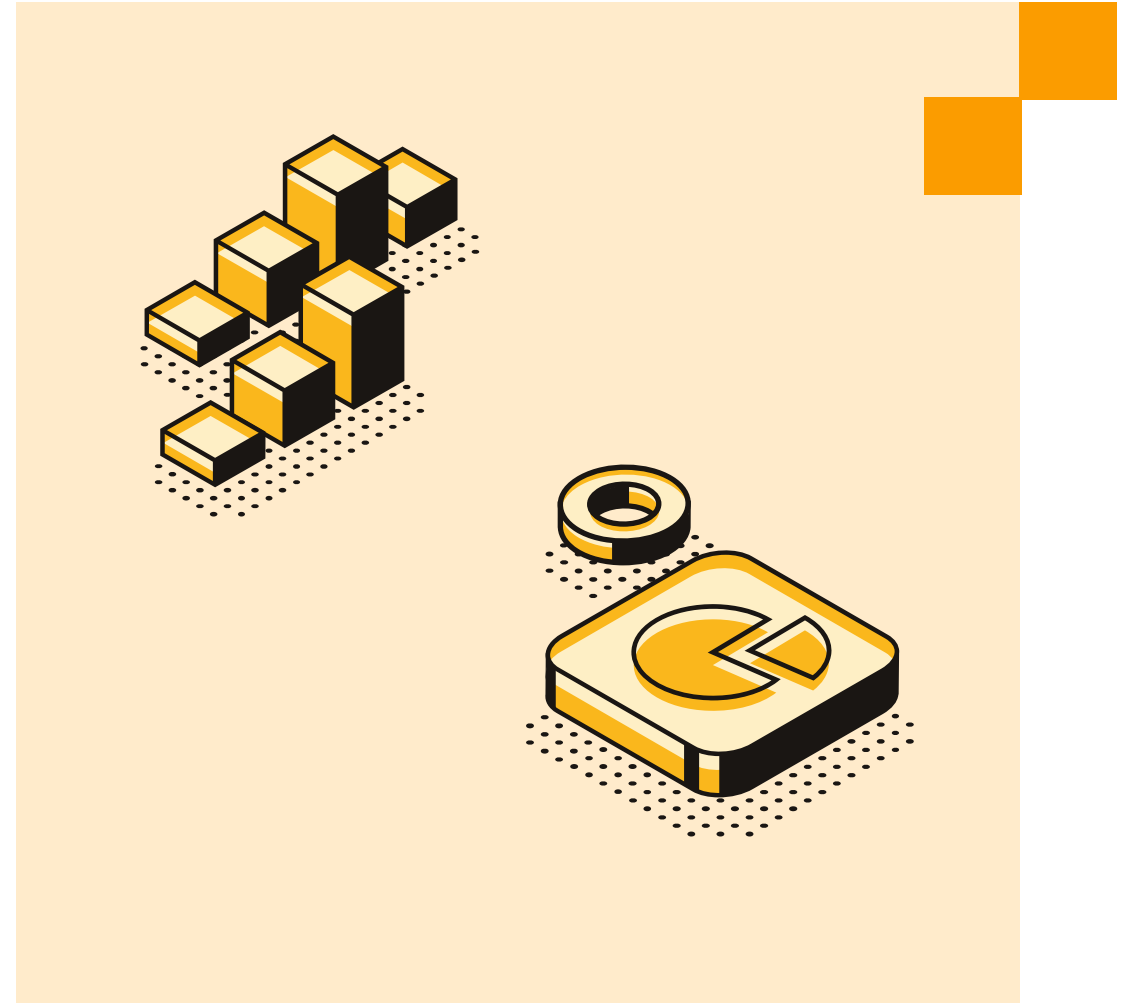


# Q1 FY25 Highlights

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# Key Developments & Outlook

PARTICULARS	CURRENT (Q1 FY25)	OUTLOOK (FY25)
<b>Overall Performance</b>	The overall performance remained muted on topline amid subdued domestic and export demand for CVs and a deliberate reduction in production to manage inventory levels, profitability remained steady and in line with expectations.	The market is expected to experience a demand resurgence in the second half of FY25. Meanwhile, new products are in development and slated for launch in the near future. Looking ahead, a significant uptick in demand is predicted beyond 2025, indicating a promising growth trajectory.
<b>Tractors</b>	The tractor market experienced a seasonal increase, resulting in a 3% increase	Experiencing a positive trend which is expected to continue due to increased financial outlay in rural areas by the Central Government
<b>Medium &amp; Heavy Commercial Vehicles (M&amp;HCV)</b>	Subdued demand from OEMs led to a slowdown in both production and demand in this segment, resulting in a muted market performance.	The Government increased investment in infrastructure is anticipated to drive the market growth. However, projections indicate that the CV segment will experience decline in the US and Europe
<b>Exports</b>	Exports witnessed growth year-on-year of 10.5% and stood at INR 98.4 Crores in Q1FY25, impacted by headwinds in export market	We expect export market will grow in the current year due to increase in volume and the launch of new products
<b>EBITDA/kg</b>	The EBITDA per Kg witnessed growth of 12.1% year-on-year, reaching Rs.11.8 kg, supported by enhanced operational efficiencies	Going ahead, we expect EBITDA per kg to expand, propelled by the ongoing export momentum and efficient capacity utilisation, leading to improved margins and profitability

# Profit & Loss Highlights

Consolidated (in INR Cr.)	Q1FY25	Q1FY24	YoY %	Q4FY24	QoQ %
<b>Total Revenue</b>	<b>302.3</b>	296.4	2.0%	299.2	1.04%
<b>EBITDA</b>	<b>22.4</b>	23.0	-2.29%	19.3	16.22%
<b>EBITDA Margin %</b>	<b>7.42%</b>	7.74%	-32.6 bps	6.45%	101.83 bps
<b>EBITDA/kg</b>	<b>11.80</b>	11.74	0.5%	10.53	12.06%
<b>PAT</b>	<b>8.0</b>	7.2	10.9%	5.1	56.0%
<b>PAT Margin %</b>	<b>2.63%</b>	2.4%	21.0 bps	1.69%	94.13 bps

## REVENUE

**₹302<sub>CR</sub>**

Revenue experienced subdued growth primarily due to a deliberate cutback in production aimed at reducing inventory levels. While domestic demand remained lacklustre, export sales maintained an upward trajectory.

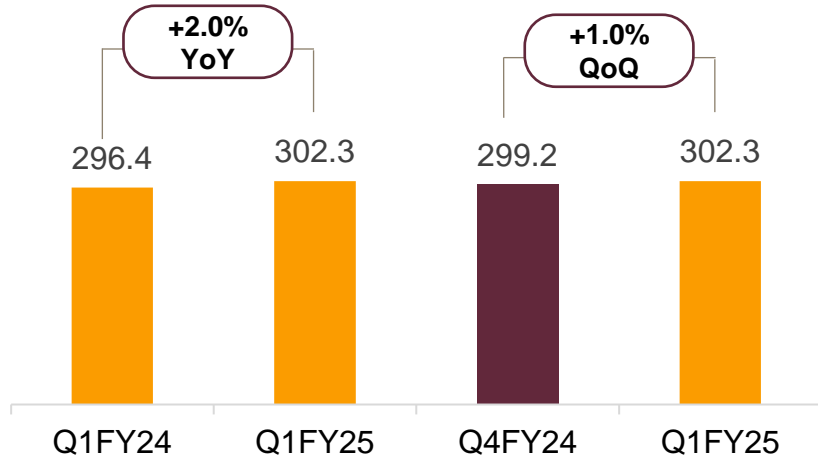
## EBITDA/KG

**₹11.8**

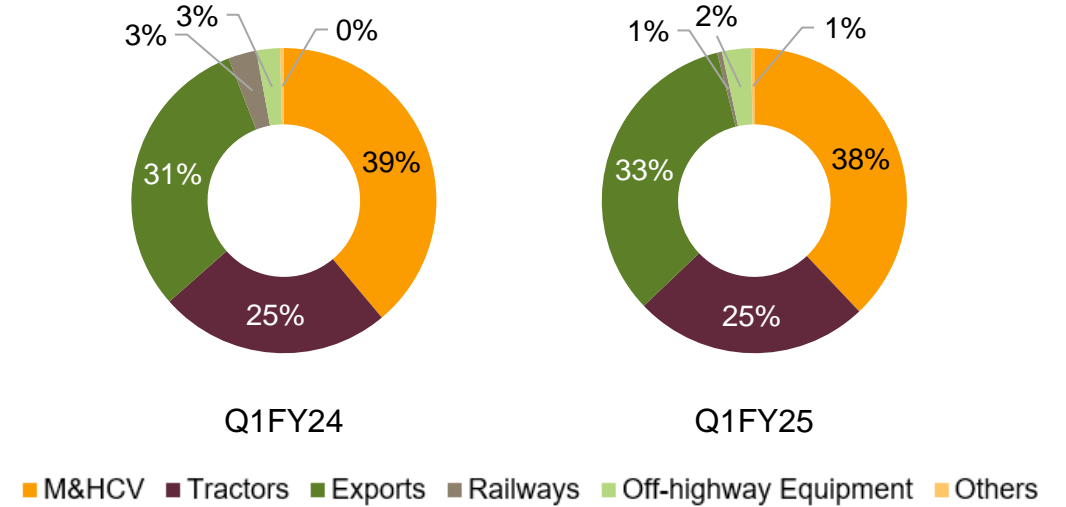
In Q1FY25, EBITDA per kilogram experienced a slight rise to Rs. 11.80, marking a year-on-year increase of 0.51% from Rs. 11.74 in Q1FY24, and a significant quarter-on-quarter growth of 12.06%, supported by enhanced operational efficiency.

# Story in Charts

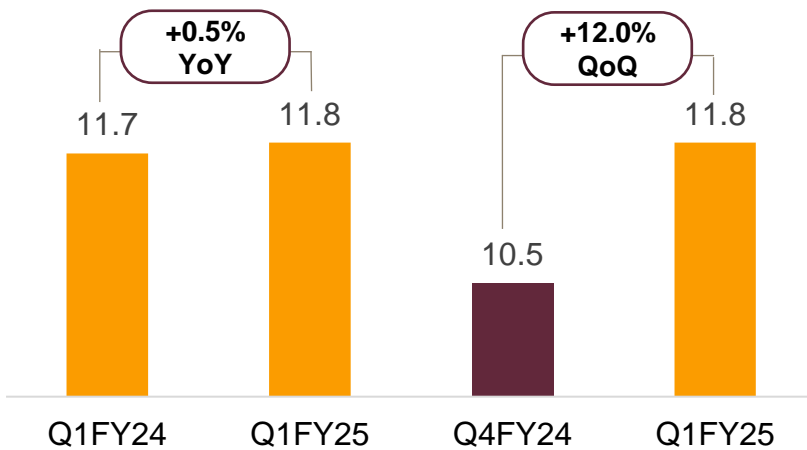
**TOTAL REVENUE (INR Cr.)**



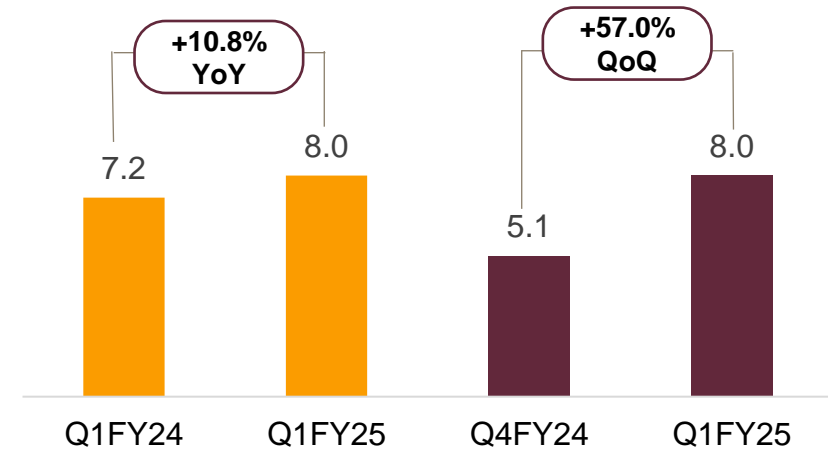
**SECTOR-WISE REVENUE (%)**



**EBITDA/KG (INR)**



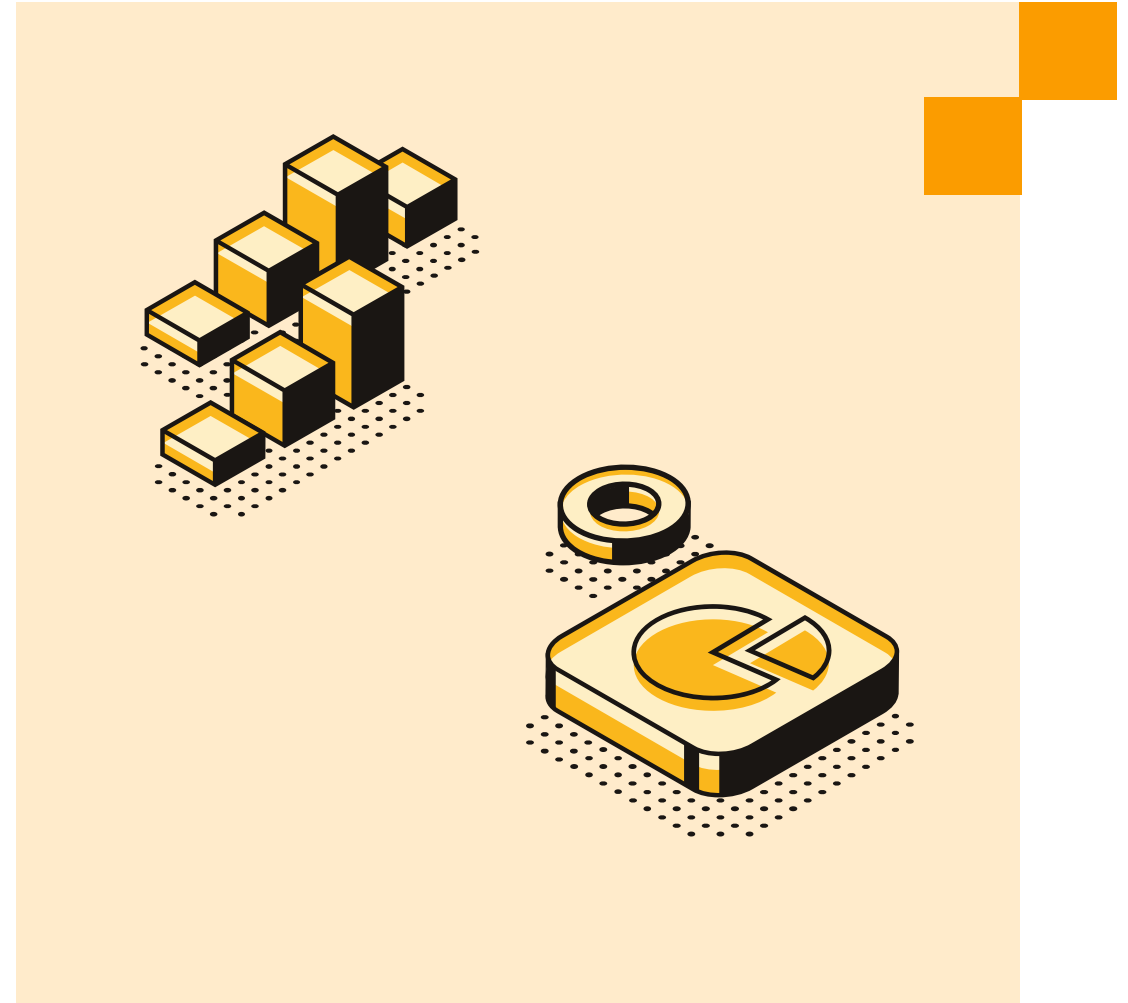
**PROFIT AFTER TAX (INR Cr.)**



# Way Forward

Deliver on our Strategy

07



# Delivering on our Strategy

## Manufacture Value Add Products

- A decade ago, Nelcast shifted focus from highly competitive low complexity business to higher value-add products.
- Upgradation of manual moulding line process to fully automated state-of-art High Pressure Moulding Line.
- Increased product capability by installing a 2.1 x 1.2 m size line; becoming one of the very few casting companies in the world with such capabilities.

## Expand the Export Business

- Continue to deliver quality at competitive prices compared to local manufacturers.
- Expand the long-standing relationships by increasing business share on existing products & launching new products.
- Build new relationships and expand diversity in our geography & sector split.

## Improving Capacity Utilization Levels

- Eliminate operational inefficiencies and bottlenecks across plants.
- Continuous launch of new products.

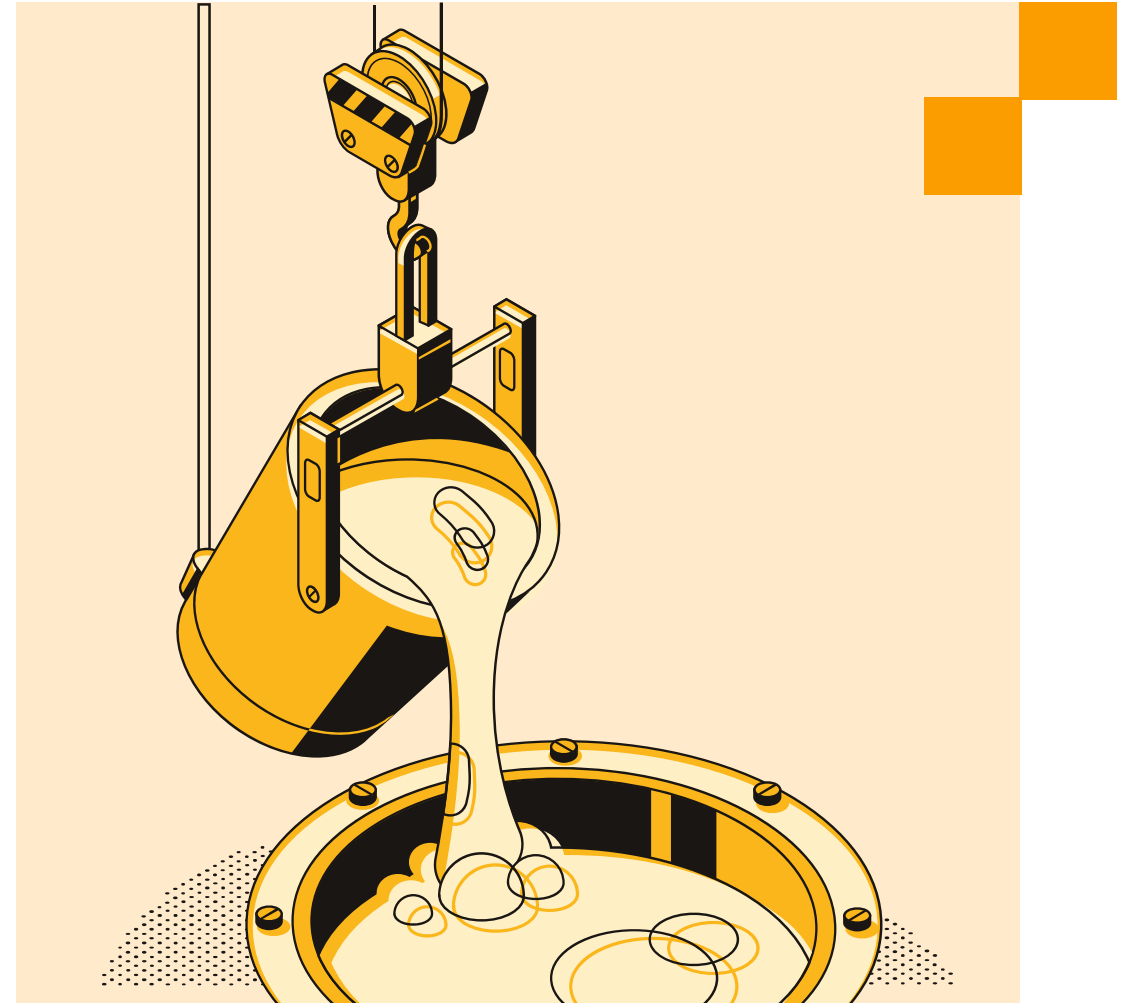
## Cost Optimization

- Better capacity utilization levels to help Nelcast achieve economies of scale, reduce the impact of costs and aid margins.
- Efforts ongoing in energy conservation & investments in renewable energy to control power costs.
- Installed 1 MW inhouse solar power plant at Pedapariaya Plant in Andhra Pradesh, which will aid toward sustainability and cost effectiveness while reducing carbon footprint.



# Company Overview

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# Company at a glance



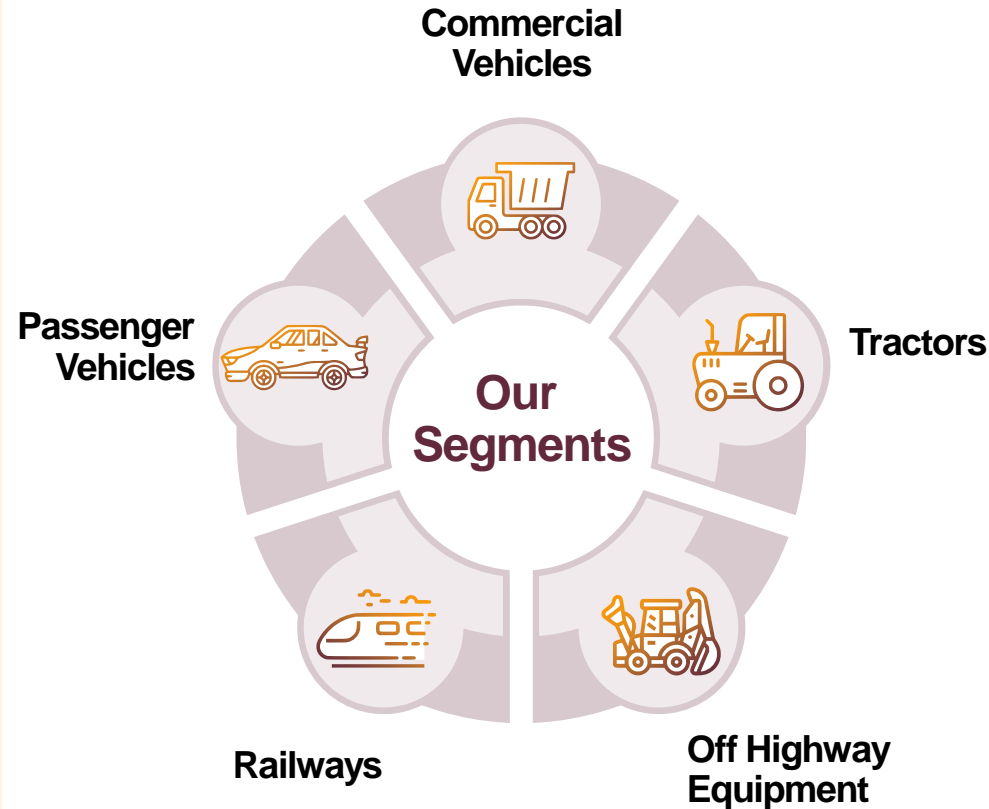
Nelcast Limited is a leading producer of Ductile & Grey Iron Castings in India with an installed capacity of 160,000 Metric Tons/Year.



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?



# Key Products



## Commercial Vehicles



Forward  
Differential Carrier



Rear Differential Carrier



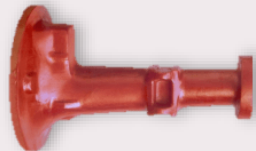
Bogie Suspension Bracket



## 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

# 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.400 Crores mark in exports in FY24

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

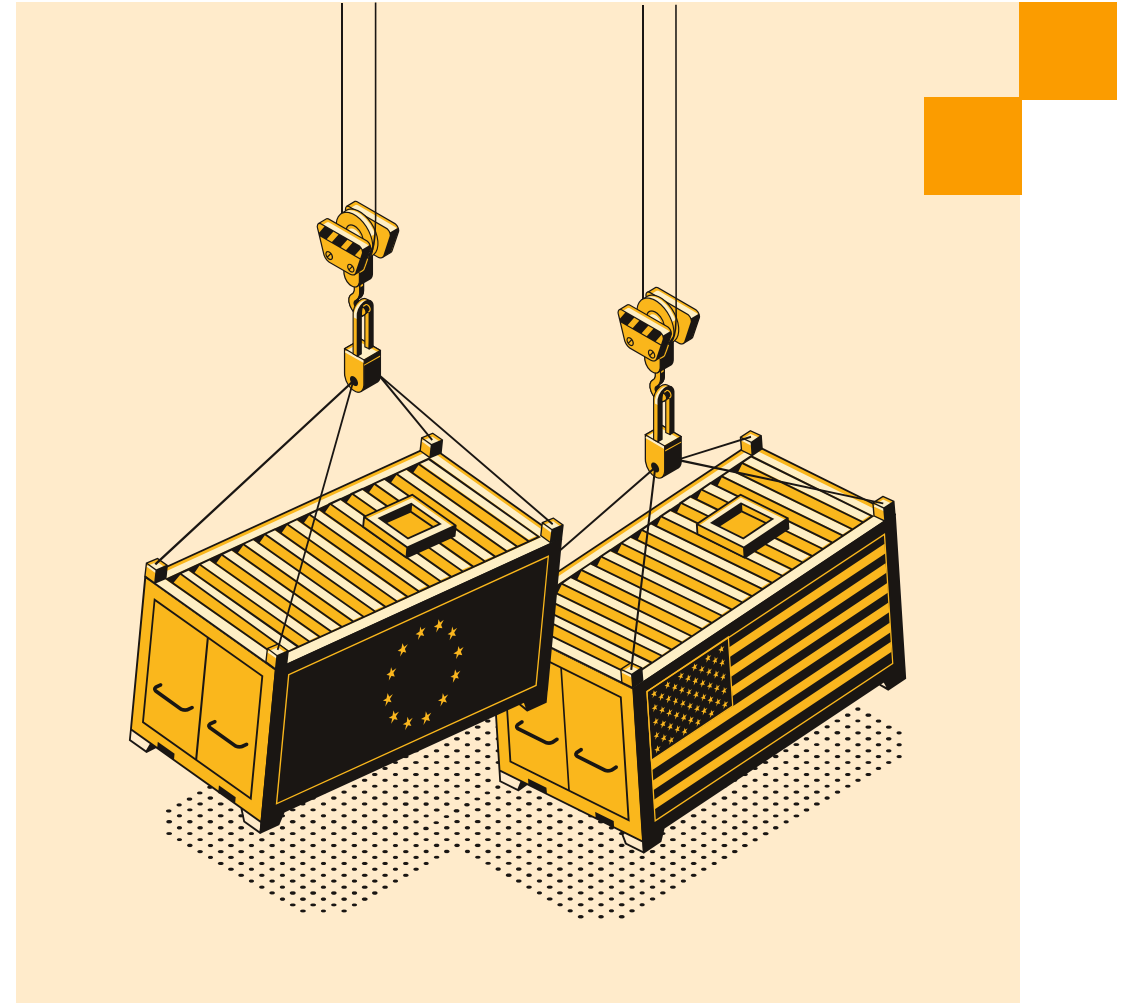


Modernisation of Unit-1 in Gudur with sixth High Pressure Moulding Line



# Why Nelcast?

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# Our Strengths



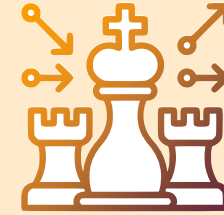
1

**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



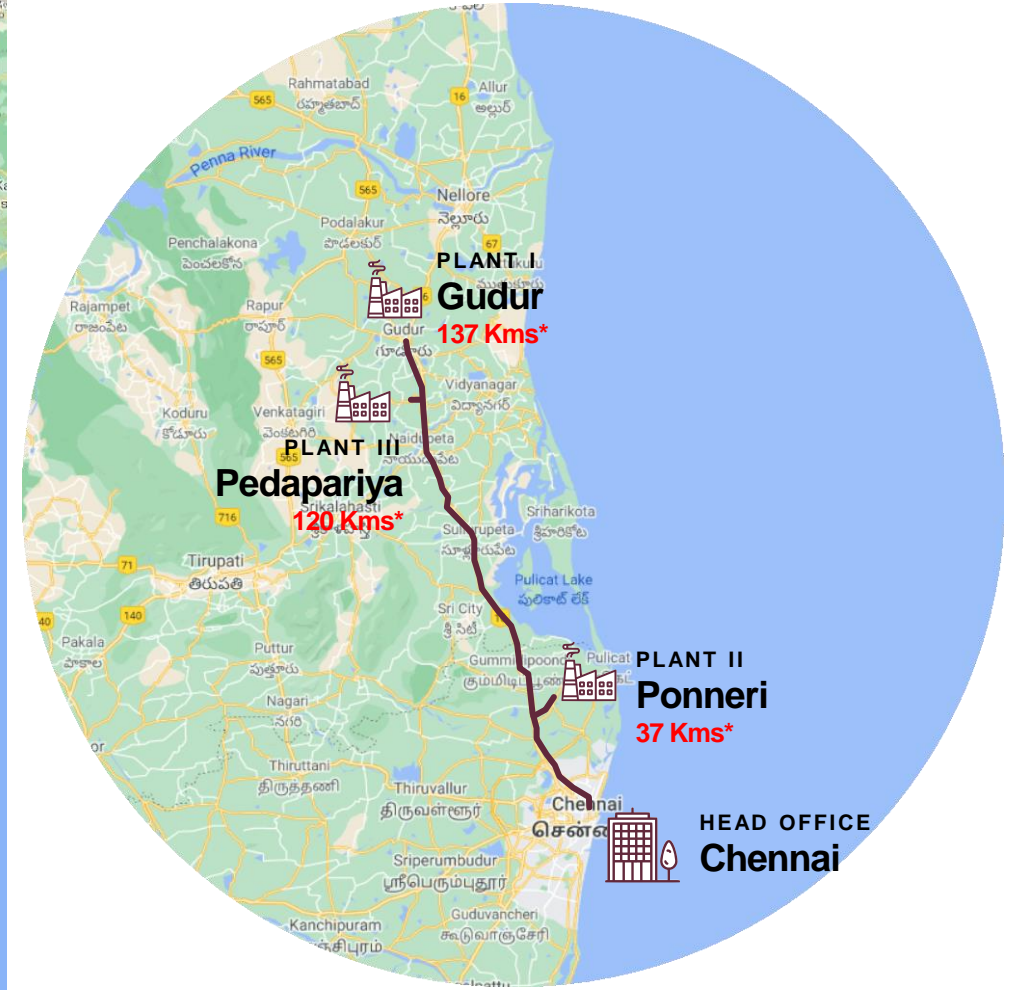
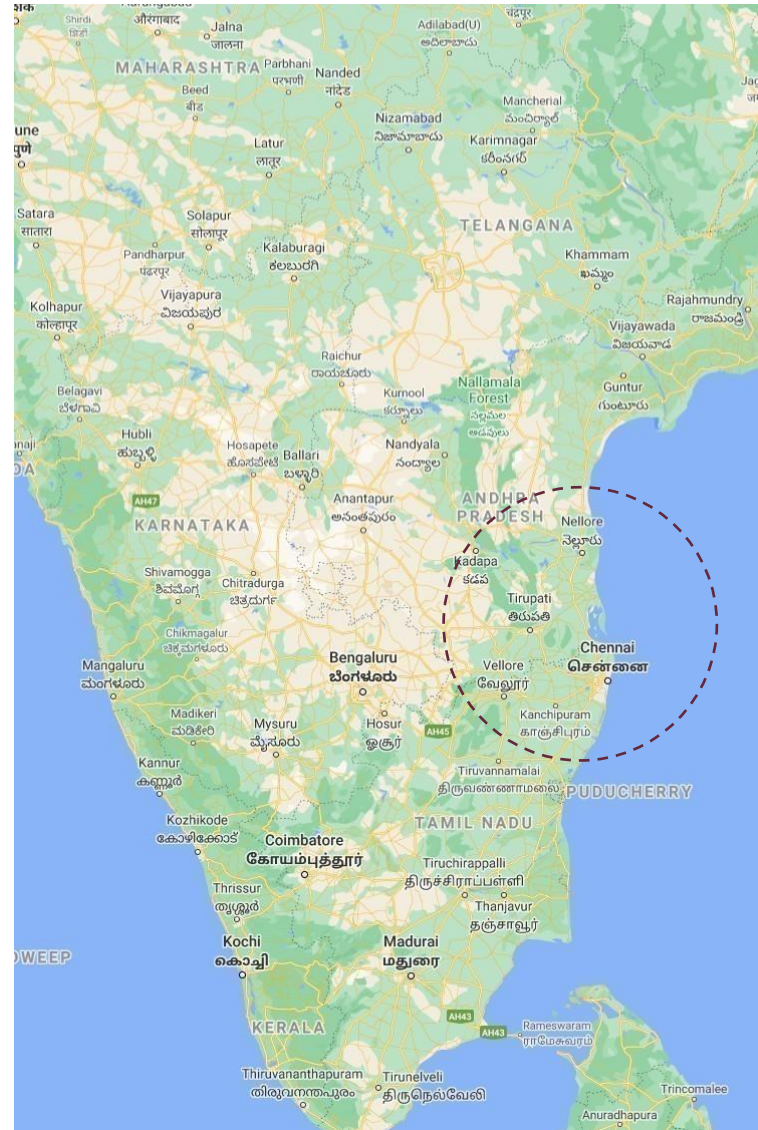
## Awards

 <p>2023</p> <p><b>IIF – CHENNAI Best Exporter of the Year</b></p>	 <p>2023</p> <p><b>AUTOMOTIVE AXLES Excellence in New Facility Creation in Castings</b></p>	 <p>2023</p> <p><b>TATA MOTORS Award for Cost Competitiveness</b></p>
 <p>2022</p> <p><b>AUTOMOTIVE AXLES Excellence in New Product Development</b></p>	 <p>2022</p> <p><b>TATA MOTORS Extraordinary Support</b></p>	 <p>2021</p> <p><b>AUTOMOTIVE AXLES Platinum Award for Best Quality</b></p>



## 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

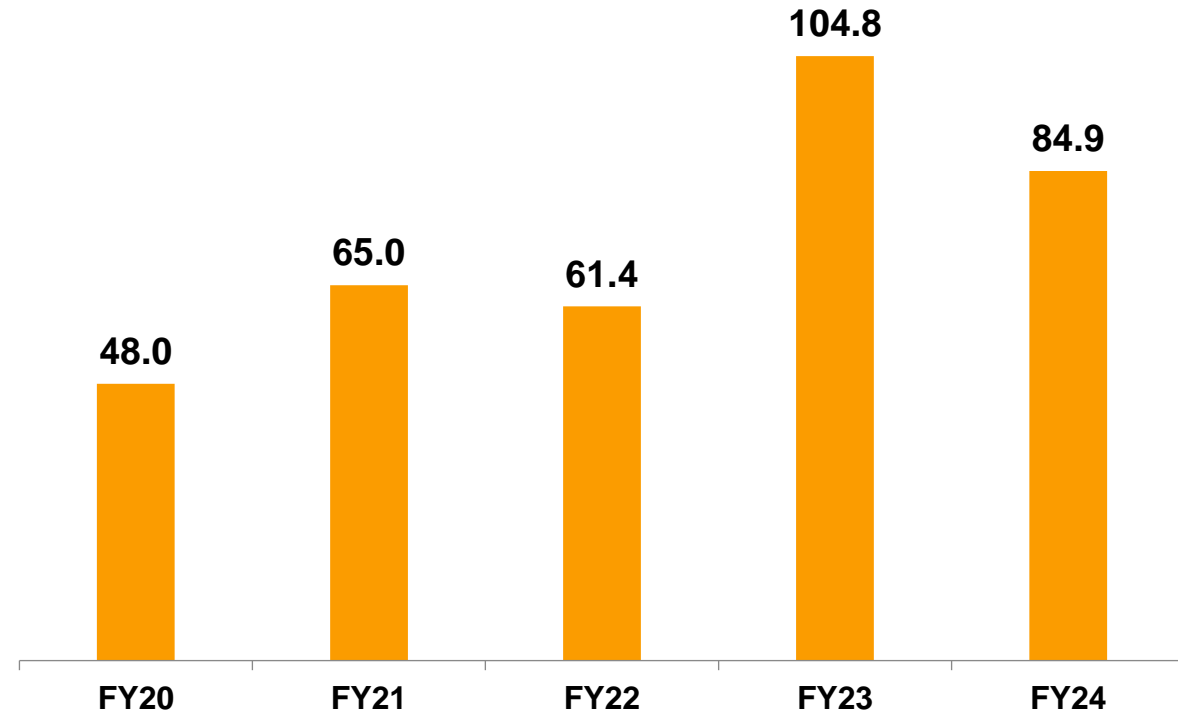


\*Distance from Chennai

# 3 Strong Business Foundation

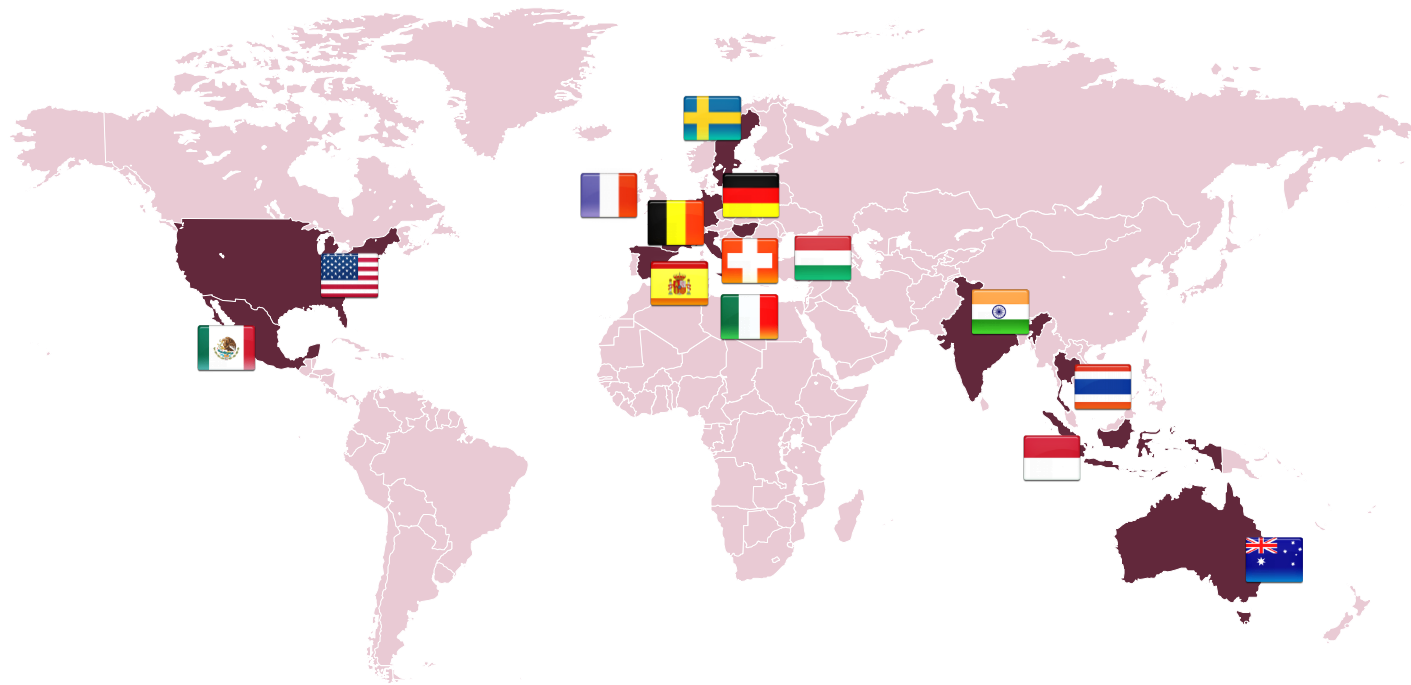
- Received an investment grade rating for short term (A1) and long term (A) fund from ICRA on the back of adequate liquidity, strong relationship with major OEMs and a diversified clientele
- Installed Capacity has been created for 160,000 Metric Tons per Year. Can be further enhanced by 50,000 MT within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

Cash & Cash equivalents (in Rs. Cr.)

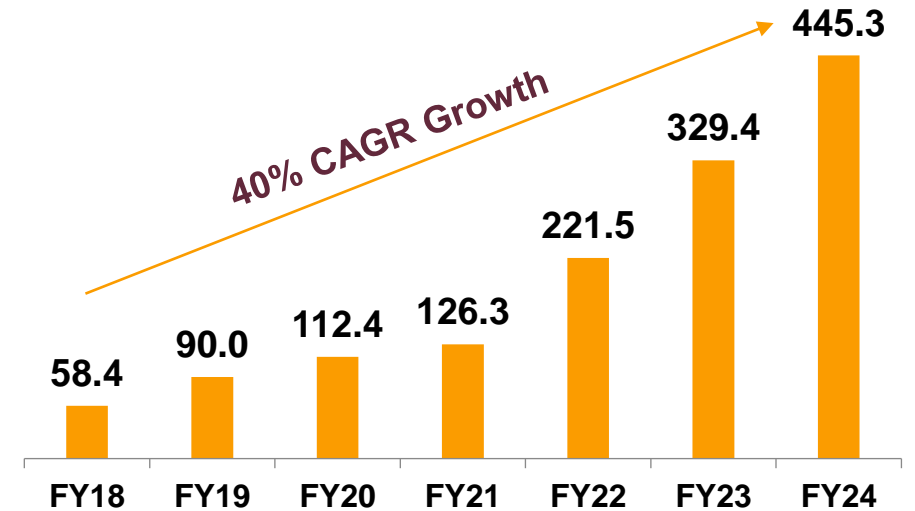


# 4 Strong Export Growth Potential

- 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.



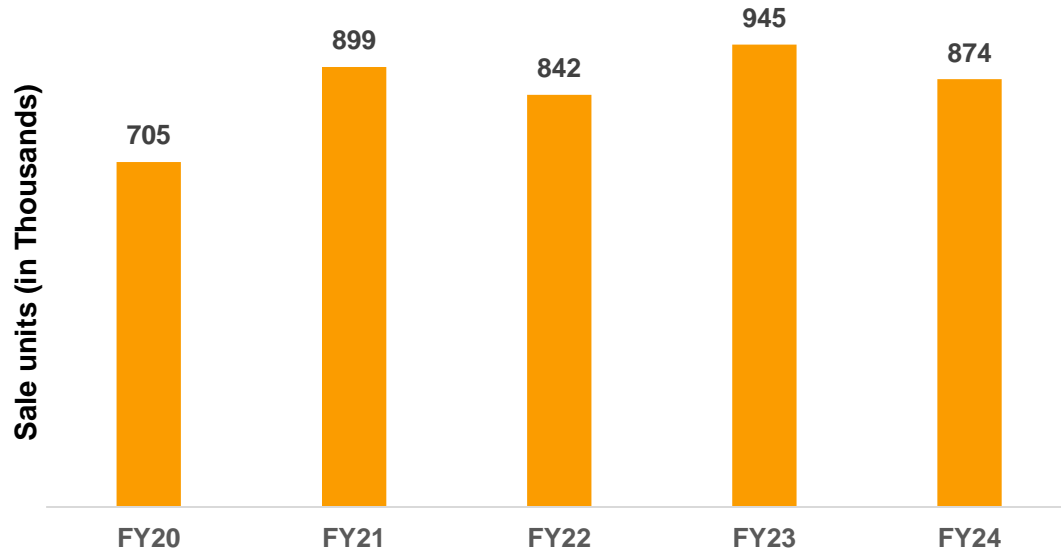
Revenue from Exports (in Rs. Cr.)



# 5 Large Market Opportunity

## Indian Tractor Industry

The Industry remained sluggish in FY2024;  
Anticipated to see an uptick in growth by 3-5% in FY25

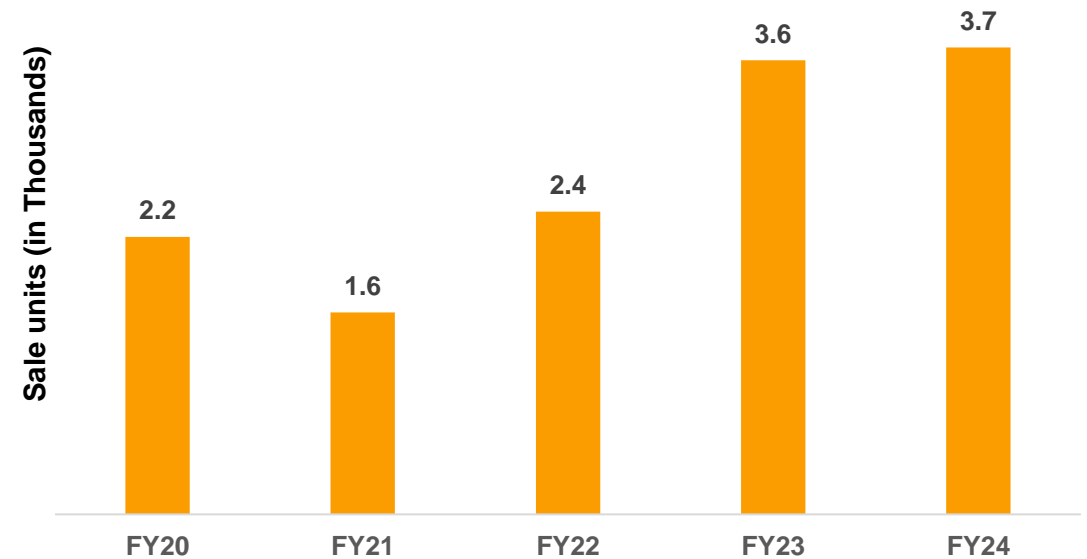


Source: Tractors and Mechanization Association

The tractor sales in India have witnessed a steep decline in key states in west and south in the first 9 months of the fiscal year. The slowdown was due to the tapering of agricultural activities. However, the domestic tractor market is expected to regain the momentum and achieve modest growth of 3-5% in FY25, driven by the expectation of normal monsoon, new government formation and good replacement demand.

## Indian M&HCV Industry

Domestic M&HCV sales crossed 3,50,000 units in FY2024



Source: SIAM, CMIE

The domestic commercial vehicle industry saw a marginal increase of 4% YoY, this growth was tempered by a decline in the Light Commercial Vehicles(LCVs) and SCVs categories primarily due to degrowth in CNG segment. However, the market is expected to regain the momentum post the general elections.



# 6 Led by an Experienced Board



**D. Sessa 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



**Vinod K Dasari**  
Director

- MBA from Kellogg and a Master's in Engineering Management from McCormick, Northwestern University,
- Over 35 years in diverse roles including MD of Timken India, joint MD at Cummins India, and CEO/MD of Ashok Leyland and Royal Enfield, where he propelled the brand to success.

# Focussed on a Sustainable Future

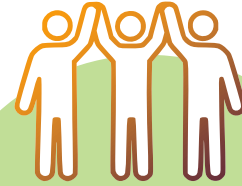
- **Renewable energy:**

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**

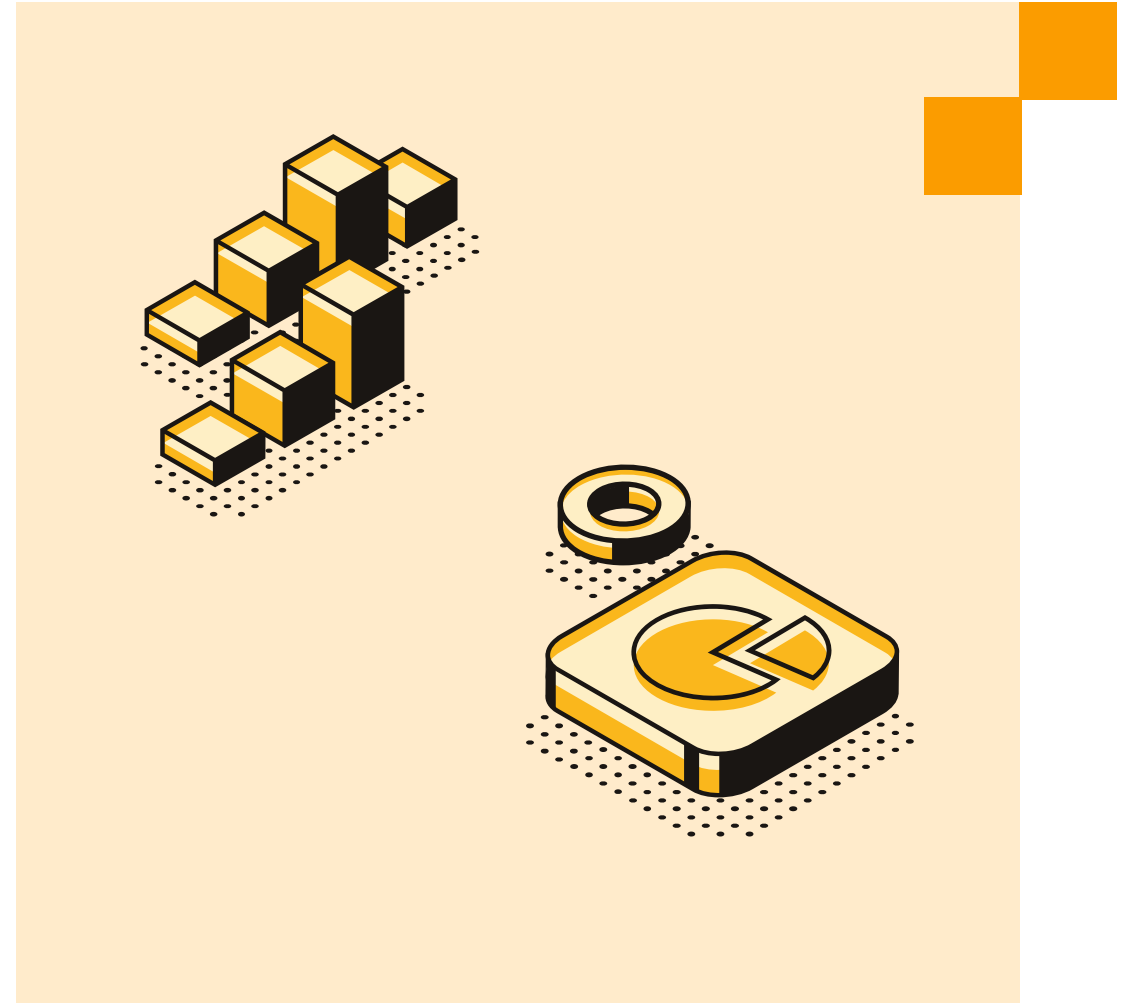
- Blood donation camps
- Providing medical support to hospitals
- Supporting schools
- Clinic & health camps



# Annual Financials

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# Profit & Loss Highlights

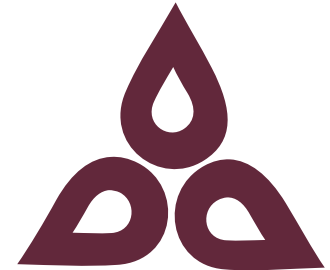
Consolidated (in INR Cr.)	FY20	FY21	FY22	FY23	FY24
Revenue from Operations	566.76	614.97	927.34	1,263.97	1,266.94
<b>Total Income</b>	<b>580.35</b>	<b>619.85</b>	<b>936.74</b>	<b>1,280.12</b>	<b>1,281.22</b>
Total Expenses	549.55	607.56	917.69	1,184.61	1,174.68
<b>EBITDA</b>	<b>61.86</b>	<b>51.27</b>	<b>67.49</b>	<b>95.51</b>	<b>106.54</b>
D&A	18.53	21.74	22.62	24.01	24.14
<b>EBIT</b>	<b>43.33</b>	<b>29.53</b>	<b>44.86</b>	<b>71.50</b>	<b>82.40</b>
Finance cost	12.52	17.24	25.82	31.18	31.58
<b>PBT (after exceptional items)</b>	<b>30.81</b>	<b>12.29</b>	<b>19.05</b>	<b>40.32</b>	<b>68.62</b>
Total Tax Expense	(5.20)	3.25	4.83	10.58	14.21
<b>PAT</b>	<b>36.01</b>	<b>9.04</b>	<b>14.22</b>	<b>29.74</b>	<b>54.41</b>



# Balance Sheet Highlights

Consolidated (in INR Cr.)	Mar'20	Mar'21	Mar'22	Mar'23	Mar'24
<b>Total non-current assets</b>	<b>474.03</b>	<b>474.28</b>	<b>483.96</b>	<b>488.10</b>	<b>524.61</b>
Inventories	128.14	118.41	158.73	158.19	189.70
Trade receivables	112.62	164.19	240.35	255.92	300.89
Cash & cash equivalents	48.0	65.04	61.39	104.80	84.89
<b>Total current assets</b>	<b>304.52</b>	<b>365.45</b>	<b>479.07</b>	<b>540.37</b>	<b>607.01</b>
<b>Total assets</b>	<b>778.55</b>	<b>839.72</b>	<b>963.03</b>	<b>1,028.47</b>	<b>1,131.62</b>
<b>Equity</b>	<b>422.89</b>	<b>432.80</b>	<b>444.39</b>	<b>471.11</b>	<b>521.90</b>
Long-term Borrowings	141.01	107.47	137.42	100.67	97.95
<b>Total non-current liabilities</b>	<b>174.50</b>	<b>144.50</b>	<b>178.36</b>	<b>144.74</b>	<b>143.97</b>
Short-term Borrowings	84.11	107.23	142.12	203.01	230.97
Trade Payables	80.58	127.96	180.59	182.68	213.62
<b>Total current liabilities</b>	<b>181.16</b>	<b>262.42</b>	<b>340.28</b>	<b>412.62</b>	<b>465.75</b>
<b>Total equity and liabilities</b>	<b>778.55</b>	<b>839.72</b>	<b>963.03</b>	<b>1028.47</b>	<b>1131.61</b>

**NELCAST**  
**LIMITED**



# Thank You

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