

4th November, 2022

The Manager
Department of Corporate Services
Bombay Stock Exchange Ltd,
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai-400001

The Manager
The National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor
Plot No-C/1, G Block,
Bandra Kurla Complex
Mumbai -400051

The Secretary
The Calcutta Stock Exchange Association Ltd.
7 Lyons Range
Kolkata-700001

Dear Sir,

Sub: Investors Presentation and Conference call with Investors of IFB Industries Limited

Please find enclosed Investors Presentation for the Quarter and Half year ended 30 September, 2022. This is to also inform you to discuss 2nd Quarter Un Audited financial results of IFB Industries Limited, a conference call with Investors will be held on 7th November, 2022 at 2.00 P.M IST.

Conference call dial in Numbers

Primary No : +91 22 6280 1304
+91 22 7115 8205

This is for your kind information and records.

Thanking you,

Yours Faithfully,

For IFB INDUSTRIES LIMITED

G Ray Chowdhury
(Company Secretary)

Q2

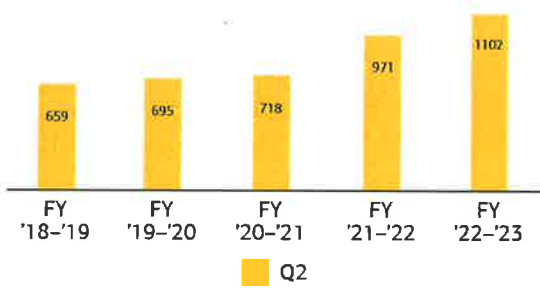
Financial Report

Quarter and Half Year Ended 30th September, 2022

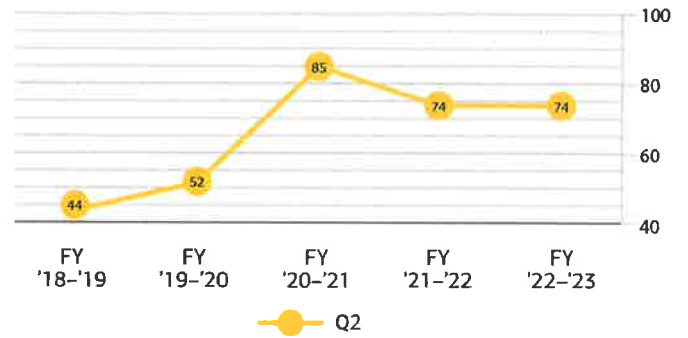


Trend for the Quarter

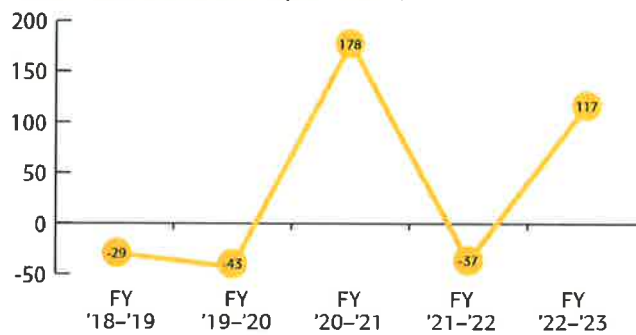
Total Revenue (₹ in Crore)



Operating Profit/EBDITA (₹ in Crore)



Free Cash Flow 6 Months Sep (₹ in Crore)



Parameters for Half Year Ended 30th September, 2022

(₹ in Crore)

Total Revenue ₹2,151.19 +40.5%	Revenue from Operations ₹2,142.22 +40.8%	EBDITA ₹112.42 +253.9%
EBDITA Margin % 5.25 +234 bps	Net Profit Margin 1.22% +244 bps	EPS ₹6.46 +240.2%
Receivables ₹427.94 44.4%	Inventories ₹612.78 7.2%	Accounts Payable ₹895.91 12.3%
Free Cash Flow ₹117.46 +283.2%	RONW +4.8% +812 bps	Operating Cash Flow ₹+140.27 +312.7%

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

Financial Review Q2

(₹ in Crore)

Particulars	Q2 (FY '22-'23)	Q2 (FY '21-'22)	YTD (FY '22-'23)	YTD (FY '21-'22)
Revenue	1,102	971	2,151	1,531
EBITDA	74	74	112	44
EBITDA % on Revenue	6.71	7.59	5.23	2.89
EBT	38	36	41	-27
EBT % on Revenue	3.46	3.69	1.92	-1.76
ROCE %	18.97	17.97	11.64	-2.38

Growth in revenue in the 2nd Quarter is ₹131 crore—the Appliances Division contributed ₹82 crore towards this growth followed by ₹30 crore by the Engineering Division.

In terms of percentage, the growth percentage is 13%. Growth is after price increase but net of price increase growth is 11%. In dollar terms, there is negative growth. We have started sensitising our management to why growth is inadequate. Institutional funds etc want to see returns after all costs in dollars. Therefore, if we are to be an investor friendly company, our management must be aware of all this.

Growth looks flat due to lower than expectation revenue in the Appliances Division.

Material cost as a percentage to revenue was higher by 1.2% than last year due to higher commodity prices. This has reduced the gross margin by ₹13 crore, which would have otherwise improved PBDIT. Operating expenses also increased based on higher travel costs (an increment of ₹5.05 crore) and promotion expenses (an increment of ₹6.45 crore).

Lower gross margin and higher operating expenses reduced the PBDIT percentage as compared to the previous year.

Balance Sheet

Total borrowing was ₹159.73 crore as on Quarter end date, including term loan of ₹133.52 crore. Break-up of borrowing is as follows:

Borrowing

(₹ in Crore)

Loan Type	Value	Banker	Purpose	Tenure
ECB	78.42	Standard Chartered	AC Project	Five Years
Rupee Term Loan	0.42	Federal Bank	Steel Division	Five Years
Rupee Term Loan	22.18	DBS Bank	Engineering Division	Five Years
Rupee Term Loan	31.50	ICICI Bank	Stamping Division	Seven Years
Rupee Term Loan	1.00	ICICI Bank	Motor Division	Seven Years
Cash Credit Facility	0.61	Federal Bank	Steel Division	
Working Capital Buyer's Credit	21.44	SCB	Home Appliances	
Working Capital Demand Loan	4.16	Federal Bank	Steel Division	
Total	159.73			

ECB Loan (₹141 crore) taken from SCB for our AC plant came down to its current position after making a pre-payment of ₹28.32 crore in January 2021 and four principal payments in October 2021, January 2022, April 2022 and July 2022. Term loan (₹70 crore) taken from DBS for our Engineering business was partly pre-paid in December 2020 to reach a balance of ₹47.10 crore. Thereafter, principal payments were made during the year and the current balance is ₹22.18 crore. However, the Engineering Division made another pre-payment of ₹9.78 crore in October '22, which brought down the loan amount to ₹12.4 crore as on date and the Division has planned to pay it off within January 2023 as per current planning.

Two instalments of the Stamping Division Loan (₹35 crore), taken from ICICI Bank, were paid in May and August 2022, to reach its current position of ₹31.5 crore.

We have reduced the Working Capital debt as compared to the previous Quarter and the balance Buyer's Credit utilised of ₹22 crore from SCB will be paid off by December 2022.

Against the aforesaid borrowing, as on 30 September, 2022, our Cash and Bank Balances (including investments in Mutual Funds) were at ₹348.17 crore. Hence, the Company remained debt free on a net basis as on the last day of the 2nd Quarter of FY 22–23.

Break-up of Cash & Bank Balances (Including Investments in Mutual Fund)

Cash and Bank Balances	₹110.60 Crore
Investments in Mutual Fund	₹237.57 Crore
Total	₹348.17 Crore

In the Appliances Division, we have identified an opportunity to improve our working capital utilisation by ~₹150 crore as of September 2022. This will be delivered by the end of 2022. This initiative will be used to significantly improve creditor positions and also improve cash positions in operations.

The Engineering Division has improved its Inventory and Debtor's holding days in the 2nd Quarter and pre-paid bank loans to the tune of ₹9.78 crore on 13 October, 2022. It will continue this effort and intends to fully settle a debt of ₹12.1 crore as in the Division's books by 31 January, 2023.

Market Conditions

Home Appliances Division

- Market demand was stable in the 2nd Quarter, though there was a slow-down in demand as compared to the 1st Quarter. The overall demand scenario in the medium term remains healthy and there is continued growth in demand for higher-end capacities.
- The pressure on input commodities/material costs will reduce from the 3rd Quarter onwards and this will help improve margins going forward. The forex situation at the end of the the 2nd Quarter offers an opportunity, with cross currency movements offering potential cost reduction. Even though the US dollar has appreciated against the rupee, we have moved significant purchases earlier in the year to purchases denominated with currencies such as the RMB or Euro—and this has helped mitigate the impacts for the appreciation of the US dollar.
- The Company's approach to the market will continue to focus on 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 have been in a transition period in the 2nd Quarter, which has resulted in a slowdown of the market. There will be a shift from the current models/volume segments to newer star ratings and price points over the 3rd and 4th quarters.



Business Update

Home Appliances Division

In the washing machine category, the Company has complete market coverage with its front and top loader models offering the unique steam function. This is driving adoption of programs and habits of hygienic washing. The front loader models with steam function feature across the entire range and the top loader models with built-in heaters and steam function have been very well received in the market and have helped the company to gain market share in the Quarter. In the industrial segment, the introduction of the washer extractor and dryer models at the unique 11 Kg capacity segment—targeted at semi-commercial/commercial laundry segments—have generated a healthy order book for the Company. The introduction of a new range of industrial washing machines with patented Xeros technology—which uses significantly lower water, detergent and energy—has also helped us reach customers who place a focus on sustainability in their laundry solutions.

A new format is being executed for all the IFB Points and a programme to change all existing stores to the new design has begun this fiscal year. In total, we will change 100 existing stores to the new format. This will be completed by the end of FY 22–23. There are 520 IFB Points at a cost of ₹45 crore as on date. There are projects running in the Company to improve the profitability and customer experience of franchisees.



Market Conditions

Engineering Division

The business environment in the 2nd Quarter of FY '22-'23 improved marginally, due to a decrease in commodity prices and thereby overall decrease in vehicle prices, leading to early signs of recovery.

The demand trend in the 2nd Quarter FY '22-'23 improved as compared to the 1st Quarter.

- As far as 4-wheeler demand was concerned, all OEMs have opted for higher volumes with the advent of the festive season. The 4-wheeler demand is expected to continue on the same scale in the coming Quarters on account of a high waiting period. As far as 2-wheeler demand is concerned, it will be stifled in the coming Quarter.
- A vehicle scrapping policy will lead to an increase in demand for 4-wheelers.
- CV demand is expected to improve, going forwards, with an increase in infrastructure. Demand is expected to hover around double digit growth. We are redoing our CV plan.
- EV vehicle demand is mainly in the scooter segment. The monthly sales number is in the region of 50-55K. We have started booking orders in the EV vehicle segment. The annualised value of booked orders so far is ₹10.92 crore.
- In the coming Quarter, both 4-wheelers and Commercial Vehicles are expected to grow, while demand for 2-wheelers will remain flat.
- Global cues are not favourable—a recession may be around the corner—India may be able to wriggle out of the crisis on account of stronger economic demand.

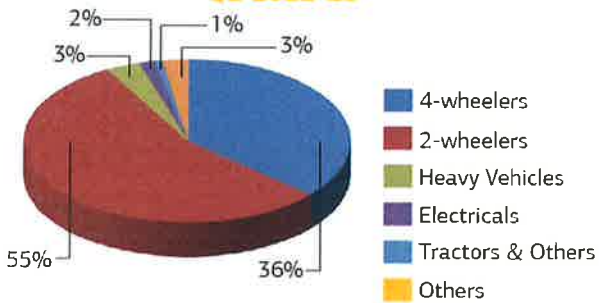
Business Updates

Engineering Division

In the 2nd Quarter, the automotive industry improved sales as compared to the previous Quarter.

- The semi-conductor shortage situation has improved as compared to earlier Quarters.
- Commodity prices have decreased, leading to a reduction in vehicle prices.
- The 2nd Quarter volumes of the automotive industry were higher compared to the 1st Quarter in all sectors.
- 4-wheelers and Commercial Vehicles are also expected to do well in the 3rd Quarter.
- A decline in COVID-19 cases has also helped the economy remain stable.

Segment-wise sale—Engineering Division
Q2 2022-23



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 2nd Quarter for each of the product categories are given below:

• Front Load Washing Machine

The segment features a complete range of products, addressing a variety of customer needs. It is well-differentiated in the market based on features, aesthetics and performance. Over the last two years, there has also been a change in the demand pattern. There is growing demand for higher capacity products and also increase in awareness about hygiene products such as steam models in washers, the washer dryer refreshers etc. This has helped to improve demand in the market. As of the end of the 2nd Quarter of the current year, we continue to see healthy demand for the Company's product range.

The Company's key task is to increase its market share. This will happen with two key initiatives. 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/Wi-Fi etc is in development and a phased roll out is planned starting from the 1st Quarter of FY '23-'24 till the 3rd Quarter of FY '23-'24. We are also working on IoT/AI introductions and the roll out is planned from the 4th Quarter of FY '22-'23 onwards. The second crosshead for increasing market share is sales process. 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 large key accounts. We have started the introduction of front load washing machines in the 9 Kg category. This category is at ~70-80K per annum across India at present. We aim to take a higher share of this segment and have begun placing new models in the market. This will be further supported with an introduction of high-end models in the 9 Kg and 10 Kg segments by the end of the 3rd Quarter of FY '22-'23. In this category, our focus is on increasing extraction from our existing counters.

- **Top Load Washing Machine**

Our models with steam enabled programs and in-built heaters have been well received. The demand for models of higher capacities has consistently increased over the last two years. The key focus here is on expanding placements and making the models more easily available in the market. We will introduce 12 Kg washers in this category by the end of the 3rd Quarter of FY '22-'23.

- **100% Clothes Dryers**

Sales of clothes dryers have been good in the 2nd Quarter. We have customised this category by introducing red, yellow and mocha coloured themes, which will be unique combinations of washers and dryers offered to consumers. These models will be rolled out in the 3rd Quarter of FY '22-'23.

- **Washer Dryer Refresher**

This is a unique product and India's first 3-in-1 product offering washing, drying and refreshing, all in one model. It can wash 8.5 Kg, dry 6.5 Kg and refresh 2.5 Kg of laundry. The product has been placed in ~1,700 counters and is already selling at an average of ~1,600-1,700 units per month. The placements will increase to ~2,500 counters by the end of the 4th Quarter of FY '22-'23. We have planned to develop new models in this category to cater to larger market segments by the 1st Quarter of FY '23-'24.

- **Industrial Segments—Laundry & Dishwashing**

IFB has a 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 such as hotels, educational institutions, medical institutions, defence, pharmaceuticals, railways etc. Our equipment offers them better reliability and durability while also addressing all their needs from washing to finishing through the help of equipment such as washer extractors, tumble dryers, flat work ironers, folders, body presses, dry cleaning machines, accessories etc. Our recently launched washer extractors with Xeros technology

offer significant savings of water, detergent and energy. They also enable additional savings, especially for hoteliers, by almost doubling fabric life. We have also started exporting the Xeros technology enabled machines to UAE, UK and France.

The Company continues to enjoy a dominant market share across all customer segments, including healthcare, defence establishments, bars, restaurants, large institutions, hotels etc.

As an outreach to all institutional buyers, in the 1st and 2nd Quarters, we participated in exhibitions in Greater Noida and Chennai, with key customers visiting. This helped us engage with potential customers. We showcased our new machines with Xeros technology. The response was very good and customers were very impressed with the savings on utilities as well as improved fabric care. This has helped a strong order book at the end of the 2nd Quarter of FY '22-'23. We are also ramping up on exports.

• **Dishwashers**

The domestic dishwasher segment has seen a reduction in demand compared to previous Quarters. In terms of placement, we are now in ~3,000 counters. Although the market demand has reduced, we are driving placements in the distribution network at more than 4,500 counters. The demand for dishwashers with 15 place settings has gone up and our Neptune VX1 Plus model has become one of the highest selling machines.

We will launch a demand creation and market share increase programme for this category in the 3rd Quarter. The campaign will target potential dishwasher customers with attractive EMI offers. Also, we continue to have exciting exchange offers for customers who have owned an IFB Dishwasher for at least 8 years.

We have secured good institutional deals with builders in this Quarter.

• Microwave Ovens

IFB continues to be one of the top three dominant players in this category in the 2nd Quarter as well. The key delivery targets ahead in this fiscal year are to complete the introduction of new models, including those with new technology to improve cooking.

Quartz Ovens with advanced cooking technology have been launched and have received a good response. This product delivers the best-in-class cooking functions with 40% faster grilling, roasting and baking. In addition, the 28 Ltr capacity category has been vacant for IFB for some time, and we shall enter it in the 4th Quarter of this fiscal year.

The 23 Ltr convection model has been upgraded with oil free cooking recipes and also received a good response upon its introduction. The contribution of e-commerce sales to the category has reduced.

The business has been expanded on the basis of multiple geography sourcing, which includes de-risking and reducing dependence on one supplier. We also provide more models to choose from, at new capacities and price points, catering to a wider cross-section of consumers.

• Built-in Ovens, Built-in Dishwashers, Built-in Microwaves, Chimneys, Hobs

The built-in kitchen appliances segment has recorded a growth of more than 65% this fiscal year and the head room for growth is more. The focus continues to be on placement of these products, with a proper display unit in key counters.

We are now present in ~600 MBO counters, in addition to ~520 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 first half of FY '22-'23 was ₹15.3 crore with a growth of 66% over last year. Our target is to achieve a monthly sales value of ₹5 crore by the end of the 3rd Quarter of this fiscal year.

In this category, we were not able to meet the demand in the 1st Quarter, due to the shipping crisis and the pandemic affected situation at the supplier's end. This has significantly improved by the end of the 2nd Quarter.

• Air Conditioners

New energy regulations have been introduced from 1 July, 2022. Our product line has also changed from July '22 onwards. This includes machines in new capacity segments such as 1.5 Ton 4 Star, 1.6 Ton 3 Star etc.

In the 2nd Quarter of 2022–23, we sold 17,000 units under the IFB brand. Sales to OEMs did not happen as they are carrying significant stocks. The product range was well received in the market, is differentiated and benchmarked to the best in the industry. Its quality and performance levels have been acknowledged to be amongst the best-in-class. The new line-up from July '22 will strengthen our placements in channels such as distribution, key accounts and also smaller multi-brand/SSD channels.

We need to focus on volumes and margins in the period from October '22 to March '23, wherein we have a material cost reduction programme to deliver. The losses in this segment have been significant in FY '21–'22 and also in the first half of FY '22–'23. This will be addressed by improving profitability from the 4th Quarter onwards.

The Company had invested ₹167 crore in an AC plant and the loss at PBT level to date is ₹197 crore. We will reduce material costs and increase sales in order to become profitable in the 4th Quarter.

A geography specific plan has been put in place for marketing and selling our ACs. We have made inroads to increase market penetration from this season. We will continue to invest in brand building with the aim of growing sales to ~230K units per annum by the end of March '23. OEM sales are over and above this and are expected to number ~180K units this fiscal year. One of the key focus areas for the AC segment is to grow sales volumes in the institutional/SSD verticals and we are putting increased effort into this from the 3rd Quarter onwards. We may have to bring this down a bit in the 4th Quarter, depending on capacity issues.

Financial Summary of Home Appliances Division

(₹ in Crore)

	Q2 (FY '22-'23)	Q2 (FY '21-'22)	YTD (FY '22-'23)	YTD (FY '21-'22)
Revenue	879	797	1731	1231
EBITDA	57	63	85	31
EBITDA % on Revenue	6.46	7.96	4.391	2.56
EBT	29	35	31	-21
EBT % on Revenue	3.35	4.43	1.80	-1.73
ROCE %	22.89	23.05	14.31	-1.93

- Revenue hike was 10% and in terms of value was ₹82 crore.

- EBITDA was lower than last year in spite of higher revenue due to the following reasons:

- 1) Revenue was below expectation during the Quarter.

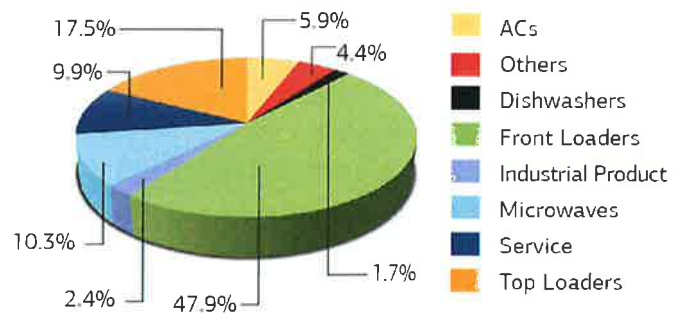
- 2) Higher commodity prices impacted the gross margin by 1.98% as a percentage of sales. Its impact on gross margin was ₹17 crore during the Quarter.

- 3) Promotion, CSR expenses and travel costs increased by ₹6.4 crore (increase in digital spends), ₹4.5 crore (due to additions for growth) and ₹3.6 crore (travel normalised in the current year) respectively.

- 4) Loss in the AC segment (PBT loss of ₹19 crore in the 2nd Quarter) also had a significant impact on the overall profitability of the Division. However, we will make it profitable by increasing sales and reducing material costs in the latter half of the current year.

Our task is to significantly grow front loader, top loader and AC sales and for microwave ovens to keep their momentum in volumes. In kitchen appliances, our sales target is ₹5 crore per month and we are driving placements in the distribution network. For dishwashers, as written, we are increasing placements to sell ~5–6K dishwashers per month. The share from the AC revenue was lower in the 2nd Quarter but is expected to rise in the remaining two Quarters of this fiscal year.

QTR Product-wise spread in Home Appliances Division



Financial Summary of Fine Blanking Division

(₹ in Crore)

Particulars	Q2 (FY '22-'23)	Q2 (FY '21-'22)	YTD (FY '22-'23)	YTD (FY '21-'22)
Revenue*	144.04	117.52	270.01	205.62
EBITDA	21.97	15.58	38.09	24.27
EBITDA % on Revenue	15.25	13.26	14.11	11.80
EBT	13.02	6.30	20.03	6.41
EBT % on Revenue	9.04	5.36	7.42	3.12

*Excluding sale of scrap

- In the 2nd Quarter of FY '22-'23, the Fine Blanking Division achieved a revenue of ₹144 crore compared to ₹118 crore in the corresponding Quarter of the previous year, which resulted in a growth of 23% over the corresponding Quarter.
- The PBDIT for the Quarter was ₹21.97 crore (15.3%) compared to ₹15.58 crore (13.3%) last year.
- A hike in revenue led to an improvement in the margin compared to last year.
- Price settlements are pending for an amount of ₹0.72 crore, which will be billed in the 3rd Quarter to improve PBDIT.
- The PBT for the Quarter was ₹13.02 crore (9.04%) as compared to ₹6.30 crore (5.36%) in the same period of last year.

Our target is to take monthly sales to ₹60 crore. We have the capacity in place but minor additions in areas like secondary processes over moulding and testing equipment will be required. The original capex was finalised before the COVID-19 pandemic and over the last two years the pandemic and semi-conductor shortage crisis impacted our industry badly, leading to sub-optimal capacity utilisation at our plants.

Financial Summary of Stamping Division

(₹ in Crore)

Particulars	Q2 (FY '22-'23)	Q2 (FY '21-'22)	YTD (FY '22-'23)	YTD (FY '21-'22)
Revenue*	17.90	13.48	34.13	23.70
EBITDA	2.67	1.73	4.86	2.29
EBITDA % on Revenue	14.92	12.83	14.24	9.66
EBT	0.30	-0.12	0.13	-1.37
EBT % on Revenue	-1.68	-0.89	0.38	-5.78

*Excluding sale of scrap

- In the 2nd Quarter of FY '22-'23, the Stamping Division achieved a revenue of ₹17.90 crore, against last year's ₹13.48 crore, which resulted in a growth of 33% over the corresponding Quarter.
- PBDIT for the 2nd Quarter was ₹2.67 crore (14.9% on revenue) as against last year's ₹1.73 crore.
- The PBDIT improved last year due to higher revenue and lower material cost.
- The Stamping Division's revenue is expected to be ₹7-8 crore per month with a PBIDT of 15% plus from October 2022 onwards.
- This is in line with our target decided while taking over the Stamping Division from IFB Automotive in August 2019.
- However, we are delayed by 3 years, mainly due to the impact of the COVID-19 pandemic, which affected the output of OEMs.
- A global shortage of semi-conductors in FY '21-'22 had a serious effect on the OEMs and many of them curtailed, postponed, or cancelled numerous launches. As a result, the Division lost significant revenue and margin.

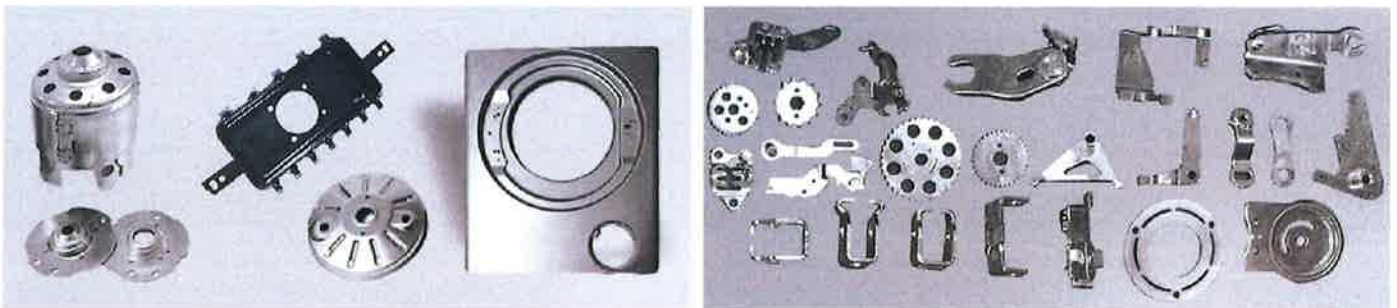
Financial Summary of After Market Division

(₹ in Crore)

Particulars	Q2 (FY '22-'23)	Q2 (FY '21-'22)	YTD (FY '22-'23)	YTD (FY '21-'22)
Revenue*	20.61	21.39	36.84	29.20
EBITDA	-1.44	-0.05	-3.43	-0.75
EBITDA % on Revenue	-6.99	-0.23	-9.31	-2.57
EBT	-1.53	-0.14	-3.61	-0.92
EBT % on Revenue	-7.42	-0.65	-9.80	-3.15

*Excluding sale of scrap

- During this Quarter, the AFM achieved a revenue of ₹20.61 crore compared to ₹21.39 crore last year.
- Hence there was a marginal revenue de-growth.
- PBDIT was negative due to insufficient revenue and high material cost
- The Division is working on reducing material costs, price correction and increasing its distribution network in order to become EBITDA positive.



Financial Summary of Engineering Division

(₹ in Crore)

Particulars	Q2 (FY '22-'23)	Q2 (FY '21-'22)	YTD (FY '22-'23)	YTD (FY '21-'22)
Revenue*	174.10	143.88	325.07	246.18
EBITDA	23.21	17.34	39.60	25.91
EBITDA % on Revenue	13.33	12.05	12.18	10.52
EBT	11.81	6.10	16.61	4.18
EBT % on Revenue	6.78	4.24	5.11	1.70
ROCE %	16.41	9.88	12.62	5.14

*Excluding sale of scrap

- In the 2nd Quarter of FY '22-'23, the Engineering Division achieved a revenue ₹174 crore compared to ₹144 crore in the corresponding Quarter of the previous year, which resulted in a growth of 21% over the corresponding Quarter
- The PBDIT for the Quarter was ₹23.21 crore (13.3%), as compared to ₹17.34 crore (12.05%) during the same period last year.
- Price settlements are pending for an amount of ₹0.92 crore, which will be billed in the 3rd Quarter to improve the PBDIT.
- The PBT for the Quarter was ₹11.81 crore (6.78%), compared to ₹6.10 crore (4.24%) during the corresponding period of the previous year.
- The business environment in the 3rd Quarter of FY '22-'23 is expected to improve due to following reasons:
 - 1) The vehicle scrapping policy will lead to an increase in demand for 4-wheelers.
 - 2) The demand for Commercial Vehicles is expected to improve going forwards, as investment in infrastructure increases.

Motor Division

Sales of the Appliances Motor Division are not reported separately as they are an internal sale to the Appliances Division. Once the new BLDC motor line is operational, we will be selling to others also, including to the competition. During the Quarter, the Division was greatly benefited due to a reduction in commodity prices. The Appliance Motor Division could partially recover its cost from the Appliances Division but the same was not sufficient to cover against the increase in commodity prices over the last fiscal year. The new BLDC motors are competitively priced and should generate cash from the beginning.

In the 2nd Quarter, the market was flat, as expected. We anticipate an increase in demand in the Automotive Motor Division in the 3rd Quarter. Automotive customers have indicated the launch of many new models, which will improve our sales from the 3rd Quarter onwards. The Division has formulated a strategy to work towards achieving energy conservation in the near future. In order to achieve this, all appliance motors will be replaced by energy efficient BLDC motors, which will save energy, have relatively lower noise and higher reliability.

The Appliances Motor Division is investing in production lines to manufacture the next generation of BLDC motors. The lines will have the capacity to produce 1 million motors for use in washing machine and 1 million motors for use in ACs. They are under process now and we intend to start commercial production from January '23.

Our range of BLDC motors for washing machines can cater to a wide range of washing machine capacities—5 Kg to 10 Kg. The line can produce motors for both front load as well as top load machines. The customers targeted for sale of washing machine BLDC motors are Samsung, Whirlpool, Electrolux, Vestal etc. Furthermore, we are in discussions with all the OEMs to cater to their BLDC motor requirements. This line is delayed and will start production in January '23.

BLDC motors for ACs will cater to a wide range of AC capacities—0.8 Tons to 2.0 Tons. The lines can produce for both indoor unit and outdoor unit applications. We are in discussions with various OEMs, such as Voltas, Blue Star, Panasonic, Hitachi, Carrier Midea, Daikin etc to cater to their BLDC motor requirements.

The line for washing machines is delayed and will come on in January '23 with production starting in February '23. The AC line will start in June '23.

We have developed wiper motors for 3-wheelers and mass production shall begin in January '23.

Financial Summary of Automotive Motor Division

(₹ in Crore)

Particulars	Q2 (FY '22-'23)	Q2 (FY '21-'22)	YTD (FY '22-'23)	YTD (FY '21-'22)
Revenue	18.87	10.97	37.63	20.92
EBITDA	0.92	-0.84	2.24	-1.97
EBITDA % on Revenue	4.88	-7.66	5.95	-9.42
EBT	0.55	-1.34	1.51	-2.97
EBT % on Revenue	2.91	-12.22	4.01	-14.20

- In the 2nd Quarter of FY '22-'23, the Automotive Motor Division achieved a turnover of ₹18.8 crore, a growth of 72%.
- The consumption percentage for the Division fell due to a settlement of pending price increases and a favourable product mix.
- In this Division also, we need to reach a monthly turnover of ₹8 crore to ensure a decent margin.



Financial Summary of Steel Division

(₹ in Crore)

	Q2 (FY '22-'23)	Q2 (FY '21-'22)	YTD (FY '22-'23)	YTD (FY '21-'22)
Revenue from Operations	35.82	32.94	71.24	52.93
EBITDA	1.10	-0.25	1.64	0.42
EBITDA % on Revenue	3.07	-0.76	2.30	0.79
EBT	0.62	-0.76	0.69	-0.61
EBT % on Revenue	1.73	-2.31	0.97	-1.15

- During the 2nd Quarter of FY '22-'23, total sales amounted to 4,216 MT, compared to budgeted sales of 4,200 MT. The Job Work Quantity for the 2nd Quarter was 2,233 MT, an increase of 86%, compared to the budgeted quantity of 1,200 MT to ensure that upstream mill capacity utilisation is maximised. The total revenue for the Quarter is ₹35.82 crore, which is an increase of 9% over last year.
- Improvement in PBDIT was due to higher revenue and rise in value addition.
- New customers have been acquired in the non-automotive segment requiring rim grades for bicycles; and precision clamps and circlips for automotive end-use.
- Maintenance and other factory/administrative expenses were higher by ₹0.40 crore in the 2nd Quarter of FY '22-'23 compared to the budgeted amount, due to non-recurring repairing activity in Pickling and HRS units because of wear and tear as well as corrosion of ageing equipment. Post project implementation, repair expenses are expected to come down.
- This Division supplies material to the Fine Blanking Division and has been very helpful in getting steel of the right quality, at the right price and in the right quantity. It is a strategic Division for us. However, it also supplies to external customers with a revenue share to external parties of 35% in the first half of the year, compared with 24% in the corresponding period of the previous year.

Subsidiaries

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

Global Automotive & Appliances Pte Ltd (GAAL)

(₹ in Crore)

Particulars	Q2 (FY '22-'23)	Q2 (FY '21-'22)	YTD (FY '22-'23)	YTD (FY '21-'22)
Revenue from Operations	10.70	13.39	23.82	18.78
EBITDA	0.08	1.09	0.66	1.95
EBITDA % on Revenue	0.75	8.14	2.77	10.38
EBT	0.08	1.09	0.66	1.95
EBT % on Revenue	0.75	8.14	2.77	10.38

- Revenue de-growth during the Quarter was due to the inability to deliver as per requirement, on account of delayed supplies from manufacturers.
- Material costs increased during the Quarter due to liquidation of aged inventory at negligible margin.

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 other ASEAN companies who have their offices in Singapore.
- 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.

Thai Automotive & Appliances Limited

(₹ in Crore)

Particulars	Q2 (FY '22-'23)	Q2 (FY '21-'22)	YTD (FY '22-'23)	YTD (FY '21-'22)
Revenue from Operations	10.93	10.53	19.95	20.71
EBITDA	0.56	0.44	0.77	1.08
EBITDA % on Revenue	5.12	4.18	3.86	5.21
EBT	-0.01	-0.11	-0.34	-0.02
EBT % on Revenue	-0.09	-0.04	-1.70	-0.10

TAAL is engaged in manufacturing fine blanked auto component.

- During the Quarter, revenue and PBDIT had marginal growth compared to the previous Quarter. However, PBT continues to be negative.
- Thai Automotive is seeking an opportunity to enhance its business volumes through increased marketing efforts, by adding new customers and actively pursuing price settlement with existing customers. These will make its bottom line positive.

STANDALONE INCOME STATEMENT

QTR (₹ in Crore)

	30 Sep, '22	30 Sep, '21
Total Sale of Products	1,336.96	1,194.73
Less: Trade Scheme and Discounts	292.15	270.30
Net Sales	1,044.81	924.43
- Sale of Services	26.61	22.16
- Other Operating Revenues	26.04	19.60
Revenue from Operations	1,097.47	966.19
Other Income	4.47	4.97
Total Income	1,101.94	971.16
EBDITA	73.97	73.69
EBDITA Margin (%)	6.7	7.6
Depreciation and Amortisation Expense	28.53	29.99
EBIT	45.44	43.70
EBIT Margin (%)	4.1	4.5
Finance Costs	7.33	7.87
Profit Before Tax	38.11	35.83
Profit After Tax	24.18	23.63
PAT Margin (%)	2.2	2.4
Total Comprehensive Income (TCI)	23.73	22.61
Total TCI Margin (%)	2.15	2.33
No of Shares (in crore)	4.05	4.05
Earnings Per Share (₹) (Not Annualised)	5.97	5.83

STANDALONE BALANCE SHEET

(₹ in Crore)

	30 Sep '22	30 Sep, '21
ASSETS		
Property, Plant and Equipment*	661.88	662.48
Investment in Subsidiaries	21.60	47.90
Investment in Equity Shares	2.25	2.25
Inventories	661.41	583.74
Investment in Mutual Funds	237.57	215.35
Trade Receivables	427.94	313.19
Cash and Bank Balances	109.53	107.68
Other Assets	141.12	191.44
TOTAL	2,263.30	2,124.03
EQUITY AND LIABILITIES		
Equity Share Capital	41.28	41.28
Other Equity	621.18	647.32
Borrowings	172.26	239.29
Trade Payables	1,066.28	847.35
Other Provisions and Liabilities	362.30	348.79
TOTAL	2,263.30	2,124.03

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

STANDALONE KEY RATIOS

	QTR		YTD	
	30 Sep, '22	30 Sep, '21	30 Sep, '22	30 Sep, '21
Earnings Per Share (In ₹) (Not Annualised)	5.97	5.83	6.46	(4.61)
Book Value per Share (In ₹)	163.49	170.02	163.49	170.02
Current Ratio (#)	1.17	1.24	1.17	1.24
Quick Ratio (#)	0.66	0.70	0.66	0.70
EBDITA/Total Income (%)	26.8	30.3	5.2	2.9
Net Profit Margin (%)	8.8	9.7	1.2	(1.2)
Net Worth (In crore)	551.38	577.52	551.38	553.86
RONW (%) (On PAT)	4.4	4.1	4.7	(3.4)
Return on Capital Employed (%) (On EBIT)	4.7	4.6	5.8	(1.2)
No of Equity Shares (In crore)	4.05	4.05	4.05	4.05
Closing Market Price on Period End	914.85	1,189.65	914.85	1,189.65
Market Capitalisation (In crore)	3,706.86	4,818.08	3,706.86	4,820.32
Head Counts (Numbers)	2,751.00	2,549.00	2,751.00	2,549.00
Total Income Per Employee (₹ in lakh)	40.06	38.10	78.20	60.05
PBT Per Employee (₹ in lakh)	1.4	1.4	1.5	(1.1)
Fixed Asset Turnover Ratio	8.3	7.1	8.1	5.6
Days Sundry Debtors Outstanding	29	23	29	30
Inventory Holding (In Days)	45	44	46	56

(#) Include current investments and short-term working capital loans and current maturities of long-term loans

STANDALONE CASH FLOW STATEMENT

YTD (₹ in Crore)

	30 Sep, '22	30 Sep, '22
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit Before Tax	41.22	(26.92)
Non-Cash and Other Adjustments	61.81	61.19
Operating Profit/(Loss) Before Working Capital Changes	103.03	34.27
Movement in Working Capital	38.70	(34.75)
Cash Generated from/(Used in) Operations	141.73	(0.48)
Income Taxes Paid	(1.46)	(3.03)
Net Cash Generated from/(Used in) Operating Activities	140.27	(3.51)
Net Cash Generated from/(Used in) Investing Activities	(18.22)	15.75
Net Cash Used in Financing Activities	(92.87)	(11.17)
NET CHANGE IN CASH AND CASH EQUIVALENTS	29.18	1.07
CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD	64.79	95.36
CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD	93.97	96.43

CONSOLIDATED HIGHLIGHTS

(₹ in Crore)

	Q2 ('22-'23)	Q2 ('21-'22)
Total Income	1,123.37	994.71
Earning Before Depreciation, Interest and Tax	74.61	75.22
Earning Before Interest and Tax	45.58	44.76
Profit Before Tax	38.18	36.82
Profit After Tax	24.12	24.59
Earnings Per Share (₹) (Not Annualised)	5.95	6.07
Cash and Liquid Investments	351.95	350.24

CONSOLIDATED INCOME STATEMENT

QTR (₹ in Crore)

	30 Sep, '22	30 Sep, '21
Revenue from Operations	1,118.28	989.78
Total Income	1,123.37	994.71
EBDITA	74.61	75.22
EBDITA Margin (%)	6.64	7.56
EBIT	45.58	44.76
EBIT Margin (%)	4.1	4.5
Profit Before Tax	38.18	36.82
Profit After Tax	24.12	24.59
Attributable to Owners of the Parent	24.12	24.59
Total Comprehensive Income (TCI)	23.41	22.54
Attributable to Owners of the Parent	23.41	22.54
Earnings per Share (₹) (Not Annualised)	5.95	6.07

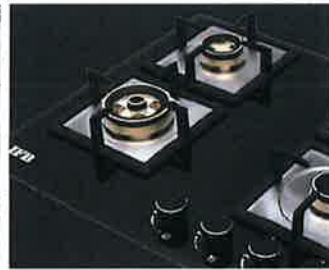
CONSOLIDATED BALANCE SHEET

(₹ in Crore)

	30 Sep, '22	31 Mar, '22
ASSETS		
Property, Plant and Equipment*	688.10	712.76
Investment in Equity Shares	2.25	2.25
Inventories	666.63	576.82
Investment in Mutual Funds	237.57	227.22
Trade Receivables	445.24	310.31
Cash and Bank Balances	114.38	92.87
Other Non-current Assets	142.12	108.23
TOTAL	2,296.29	2,030.46
EQUITY AND LIABILITIES		
Equity Share Capital	41.28	41.28
Other Equity	632.05	606.98
Borrowings	177.92	238.61
Trade Payables	1,080.88	811.99
Other Provisions and Liabilities	364.16	331.60
TOTAL	2,296.29	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.

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