



Life's a forge!

Krishanveer Forge Limited (Formerly known as Rajkumar Forge Limited) ("KVFL") embodies over 30 years of dependability and durability. Our zeal and commitment to quality drives us to perfection. Krishanveer Forge has a world class facility with best in house processes to deliver the highest quality to the most demanding customer.



(KVFORGE | BSE : 513369 | ISIN : INE013J01016)

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Company Snapshot

BSE : 513369

- ❑ **CMP = ₹ 81.50
as on 10th Feb'23**
 - ❑ **Single Phase Buying
Strategy = Buy between
INR 75-85**
 - ❑ **Price Target = INR 100
in next 12 months & INR
250+ in next 5 years.**
 - ❑ **It can deliver ~20-25%
CAGR over the period of
next 5Y.**
- **Krishanveer Forge Limited** is an India-based company that is engaged in the business of manufacturing and selling open die forges in both domestic and international markets. The Company's product categories include shafts, square sections, rectangular sections, blanks, rings, and hollows. The products, which the Company deals in are mill roller shafts, gear shafts, tail bars, gear rings, blanks, table rolls, pinions, spindles, rolls for slab and continuous casters, blooming mill and hot rolling mill roles, elongator rolls, wobblers and gearing components, among others.
 - Its open die forging unit manufactures and supplies open die forgings up to 11 metric tons (MT) of single piece weights of components.
 - The Company is engaged in forging a range of raw materials, such as plain carbon steels, alloy steels and stainless steels with varying sizes and shape components.

Stock Info

General

Type: Common Stock

Exchange: BSE LTD

Country Name: India

Sector: Industrial Goods

Industry: Metal Fabrication

Sector 2: Manufacturing

Industry 2: Iron and Steel Mills and
Ferroalloy Manufacturing

The Company was incorporated as a Private Limited Company on 22nd June, 1990 and converted into a Public Limited Company on 22nd April, 1991, under the Act with the Registrar of Companies, Maharashtra, at Bombay.

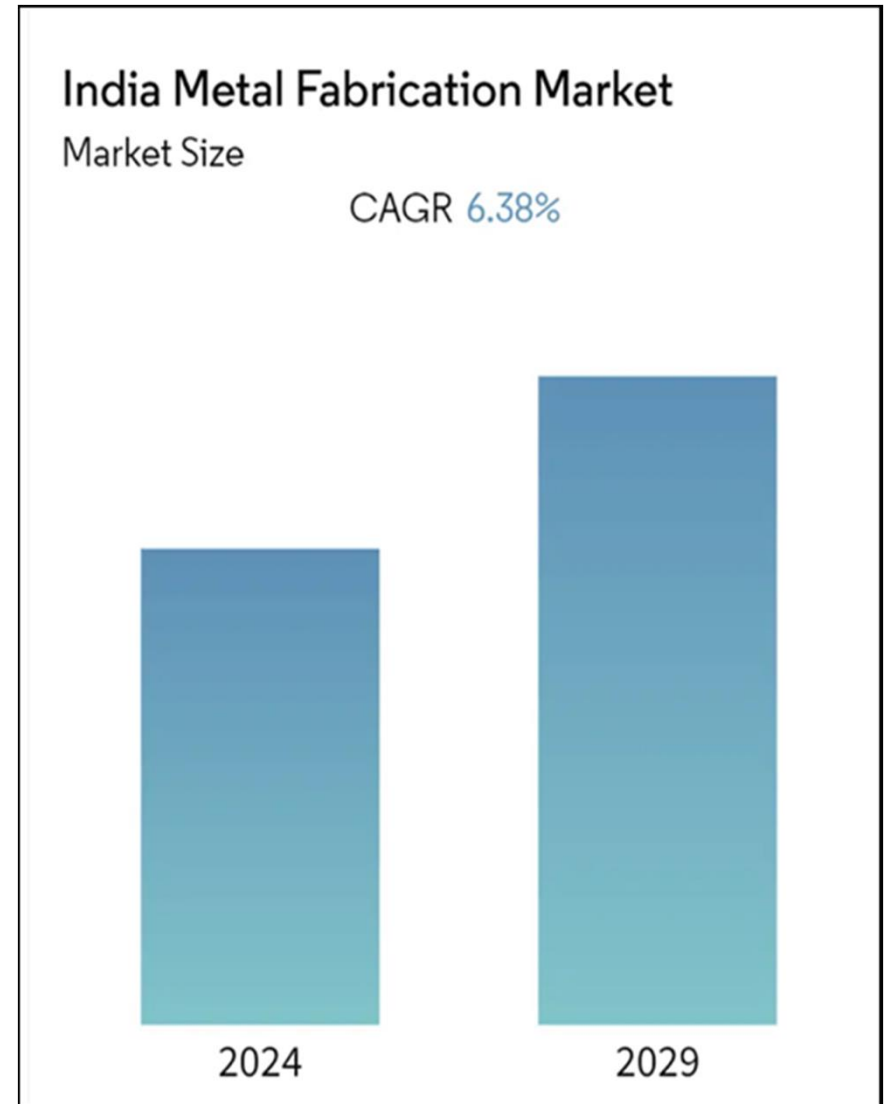


Industry Overview (1/2)

Metal Fabrication Industry in India Size & Share Analysis - Growth Trends & Forecasts (2024 - 2029)

❑ **The Metal Fabrication Industry in India** is segmented by Material Type (Steel, Aluminum, and Others), By End-User Industry (Manufacturing, Power and Utilities, Construction, Oil and Gas, and Other End-user Industries), and By Service (Casting, Forging, Machining, Welding & Tubing, and Other Services). The market size and forecasts are provided in terms of value (USD billion) for all the above segments.

Source: <https://www.mordorintelligence.com/industry-reports/india-Steel-fabrication-market>

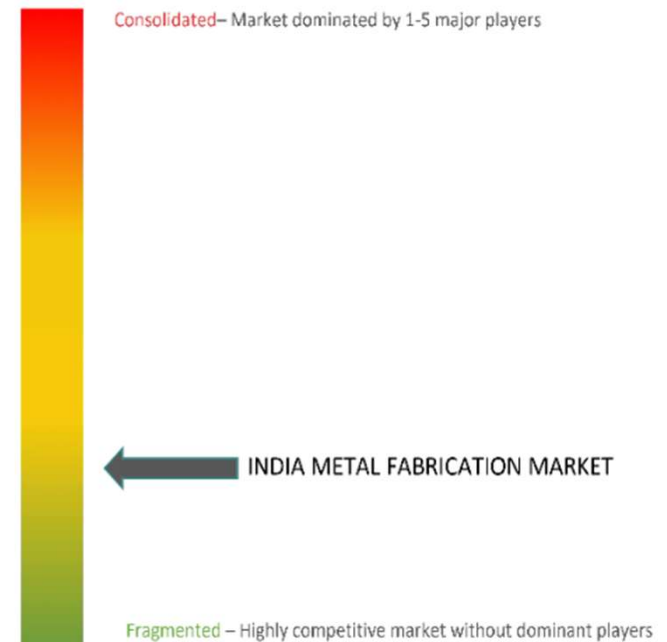


Source : Mordor Intelligence

- ❑ The Indian Steel Fabrication Market size is estimated at USD 20.89 billion in 2023, and is expected to reach USD 28.46 billion by 2028, growing at a CAGR of 6.38% during the forecast period (2023-2028).
- ❑ The Indian Steel industry is considered one of the few bright spots in the global Steel industry.
- ❑ The country's Steel industry has recovered from demonetization and the goods and services tax (GST) reform and is expanding rapidly, increasing demand for the country's Steel fabrication market.
- ❑ The rising demand for goods and services across various sectors in India, combined with the fact that global manufacturing companies focus on diversifying their production by setting up low-cost plants in countries like China and India, is expected to drive the Indian manufacturing sector, further growing the Steel fabrication sector in the country for infrastructure projects.

Source: <https://www.mordorintelligence.com/industry-reports/india-Steel-fabrication-market>

MARKET CONCENTRATION



Source : Google Images

Industry Overview (2/2)

- ❑ **Manufacturing** is emerging as an integral pillar in the country's economic growth, thanks to the performance of key sectors like automotive, engineering, chemicals, pharmaceuticals, and consumer durables. The Indian manufacturing industry generated 16-17% of India's GDP pre-pandemic and is projected to be one of the fastest growing sectors.
- ❑ The machine tool industry was literally the nuts and bolts of the manufacturing industry in India. Today, technology has stimulated innovation with digital transformation a key aspect in gaining an edge in this highly competitive market.
- ❑ Technology has today encouraged creativity, with digital transformation being a critical element in gaining an advantage in this increasingly competitive industry.



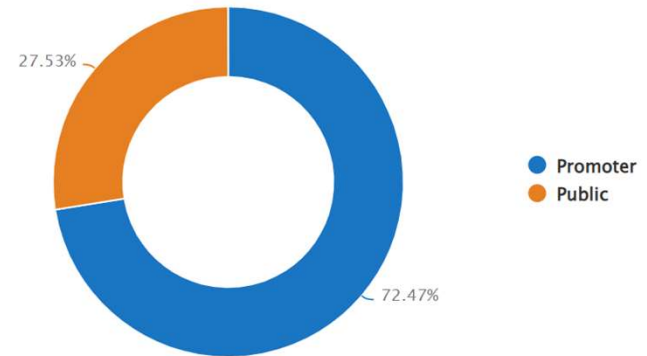
- 
- ❑ The Indian manufacturing sector is steadily moving toward more automated and process-driven manufacturing, which is projected to improve efficiency and enhance productivity.
 - ❑ India has the capacity to export goods worth US\$ 1 trillion by 2030 and is on the road to becoming a major global manufacturing hub.
 - ❑ With 17% of the nation's GDP and over 27.3 million workers, the manufacturing sector plays a significant role in the Indian economy. Through the implementation of different programmes and policies, the Indian government hopes to have 25% of the economy's output come from manufacturing by 2025.

Company Overview

- ❑ Krishanveer Forge Ltd is one of the leading manufacturer and exporter of Medium and Heavy Open Die Forgings.
- ❑ The company manufactures critical forgings and specialized components for the Oil, Gas, Power, Iron, Steel, Sugar, Cement, Chemical, Fertilizers, General Engineering & other Allied Industries in the core sector.
- ❑ The product range of the company includes :-Forgings are supplied to the following industries and in following material grades:
- ❑ Carbon Steel, Alloy Steel, Stainless Steel, Die Steel, Hot & Cold Working Tool Steel. Sugar - Mill Roller Shafts, Gear Shafts, Tail Bars, Gear Rings and Blanks. Steel - Table Rolls, Pinions, Spindles, Rolls for Slab & Continuous Caster, Blooming Mill & Hot Rolling Mill Rolls, Elongator Rolls, Wobblers and Gearing Components.

SHAREHOLDING

Summary



Promoters Shareholding Pattern



No Pledging of Shares by the Promoters

KVF's Product Portfolio

Shafts

Ø200 to 700 mm,
length 6000 mm,
weight 9.0 MT max

Square Section

Ø 200 to 560mm,
Length 6000 mm,
Weight 9.0 MT max

Rectangular Section

Ø 200 to 1000 mm,
weight up to 9.0 MT max

Blanks

Ø 500 to 1900 mm,
Thickness 450 mm,
Weight 7.0 MT

Ring

Ø 400 to 1000 mm,
Length 3000mm,
Weight 6.0 MT

Hollow

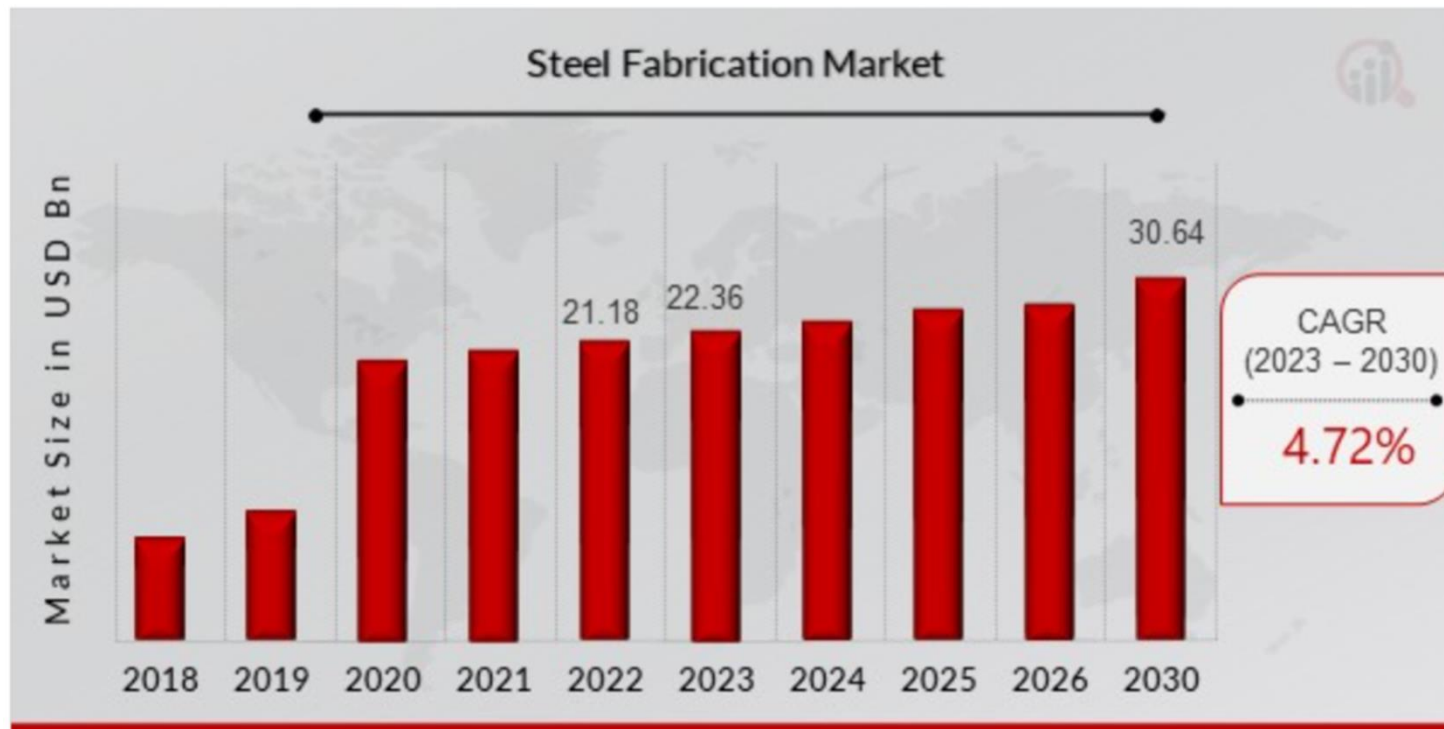
Ø400 to 1000 mm
Length 3000mm,
Weight 6.0 MT

- ❑ Open Die Forging Unit, having capability of manufacture and supply of Open Die Forgings up to 11 MT single piece weights of components.
- ❑ KVF forging a variety of raw materials like plain carbon Steels, alloy Steels & stainless Steels with varying sizes and complex shape components.

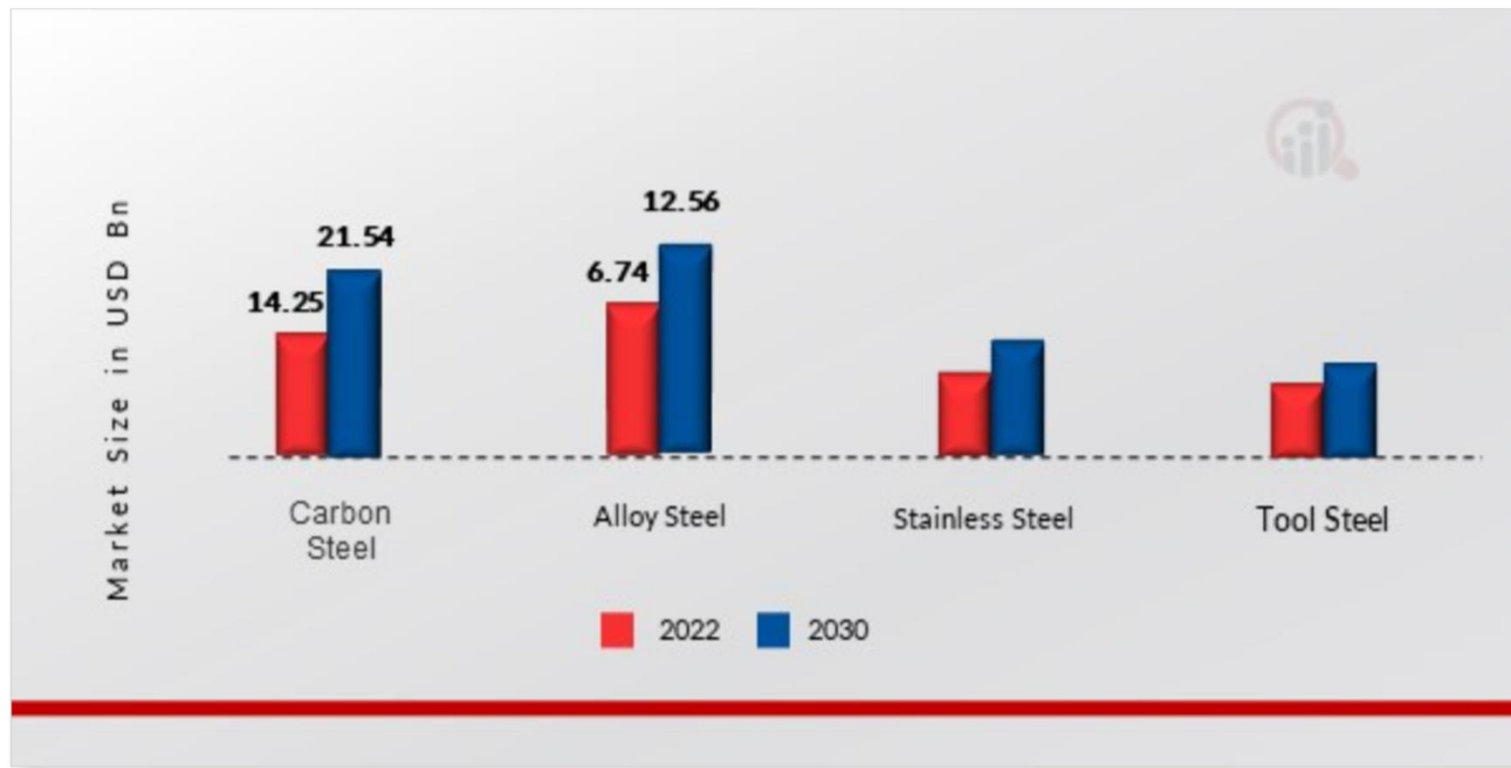
Investment Thesis

The Investment Thesis on Krishanveer Forge Limited is based on the following :

- ❑ Throughout the forecast period, it is anticipated that factors such as the expanding Steel and manufacturing industries, expanding automotive and aerospace sectors, and rising R&D expenditures would drive the Indian market for Steel fabrication.
- ❑ Moreover, the Steel fabrication industry is also growing because of government policies that help the industry.



- ❑ India's Steel fabrication sector is expected to be driven by the rising demand for goods and services in many sectors, as well as the fact that global manufacturing companies are trying to diversify their production by setting up low-cost plants in countries like China and India.
- ❑ Additionally, the Indian manufacturing sector is expected to register a growth of more than six times its current value by 2025, to USD 1 trillion.
- ❑ This growth in the manufacturing sector in India is likely to lead to more manufacturing facilities in the country, which is expected to increase demand in the market studied.



Manufacturing Facility (1/2)



Factory Office Address

Gat No. 357, Kharabwadi, Chakan-Talegaon Road, Chakan, Khed,
Pune – 410 501.

Maharashtra

Contact No. : (02135) – 671400 / 671424

Manufacturing Facility (2/2)



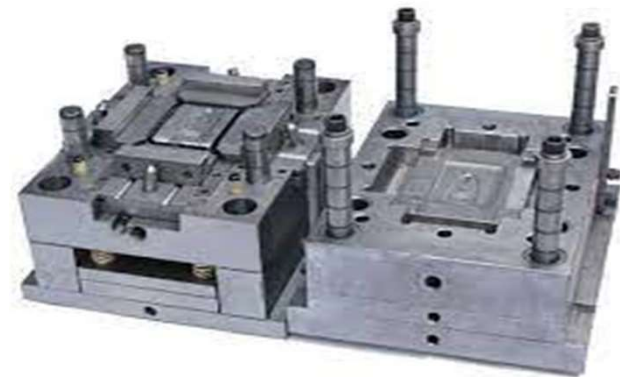
Bending Machine KVF



Hammering Machine KVF



Metal Sheet Punching Machine KVF



Sheet Metal Stamping Die KVF

Quality Assurance

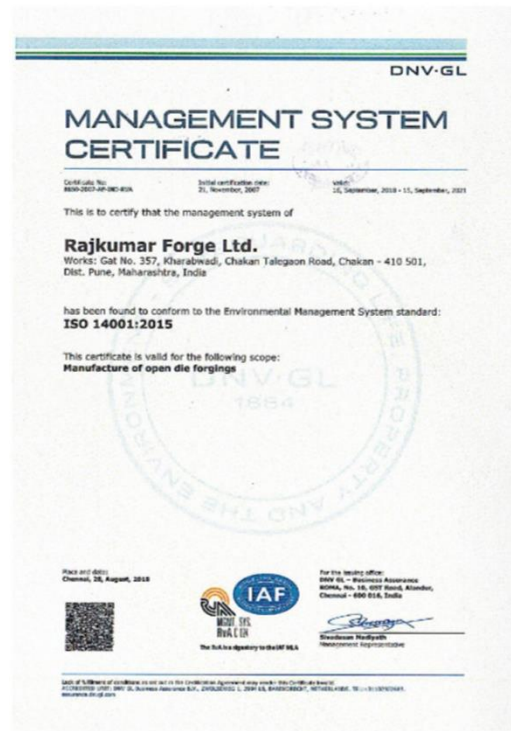
International Standards

ISO 9001 – 2015,

ISO 14001 – 2015

and **ISO 45001 – 2018**

for achieving excellence in Manufacture of Open Die Forgings and providing assurance of quality products and services supplied by KRISHANVEER FORGE LIMITED



Source : Company Disclosures

Financial and Business Analysis (with Estimates)

Profit & Loss (All Figures in Cr. Adjusted EPS in Rs.)

PARTICULARS	MAR 2019	MAR 2020	MAR 2021	MAR 2022	MAR 2023
Net Sales <small>i</small>	55.11	50.88	40.44	67.22	80.91
Total Expenditure <small>i</small>	47.77	43.43	34.05	60.62	76.92
Operating Profit <small>i</small>	7.34	7.45	6.39	6.60	3.99
Other Income <small>i</small>	0.12	0.12	0.18	0.91	0.61
Interest <small>i</small>	1.08	0.62	0.62	0.62	0.94
Depreciation <small>i</small>	1.22	1.35	1.56	1.53	1.62
Exceptional Items <small>i</small>	-1.26	0	0	0	0
Profit Before Tax <small>i</small>	3.90	5.59	4.39	5.36	2.04
Tax <small>i</small>	1.82	1.01	0.81	1.61	0.40
Net Profit <small>i</small>	2.08	4.57	3.58	3.76	1.64
Adjusted EPS (Rs.) <small>i</small>	1.90	4.18	3.27	3.43	1.50

Source : ticker.finology.in

Company Essentials

MARKET CAP ⓘ

₹ 93.61 Cr.

P/E ⓘ

20.56

DIV. YIELD ⓘ

0 %

DEBT ⓘ

₹ -1.55 Cr.

SALES GROWTH ⓘ

20.36%

ENTERPRISE VALUE ⓘ

₹ 91.25 Cr.

P/B ⓘ

2.45

BOOK VALUE (TTM) ⓘ

₹ 34.89

PROMOTER HOLDING ⓘ

72.47 %

ROE ⓘ

4.78 %

NO. OF SHARES ⓘ

1.09 Cr.

FACE VALUE ⓘ

₹ 10

CASH ⓘ

₹ 0.81 Cr.

EPS (TTM) ⓘ

₹ 4.16

ROCE ⓘ

8.20%

Shareholders

Promoters

Quarter Ending		31-Dec-2023			
Promoters		FII	DII	Public	Mutual Fund
NAME					HOLDING (%)
Western India Forgings Private Limited					65.82%
Arun Krishankumar Jindal					6.64%

Public

Quarter Ending		31-Dec-2023			
Promoters		FII	DII	Public	Mutual Fund
NAME					HOLDING (%)
Investor Education And Protection Fund Authority Ministry Of Corporate Affairs					6.71%
HUF					0.62%

Financial Statement Analysis

Balance Sheet (All Figures are in Crores.)

PARTICULARS	MAR 2019	MAR 2020	MAR 2021	MAR 2022	MAR 2023
Equity and Liabilities					
Share Capital	10.94	10.94	10.94	10.94	10.94
Total Reserves	11.20	15.70	18.91	22.64	24.28
Borrowings	0	1.33	0	0	0
Other N/C liabilities	1.76	1.95	2.06	2.17	2.21
Current liabilities	16.86	15.11	12.33	18.30	10.08
Total Liabilities	40.76	45.03	44.24	54.05	47.51
Assets					
Net Block	12.83	17.65	16.12	17.71	16.58
Capital WIP	5.70	2.55	2.67	0	0.39
Intangible WIP	0	0	0	0	0
Investments	0	0	0	0	0
Loans & Advances	0.34	0.34	0.27	0.27	0.27
Other N/C Assets	0	0	0	0	0
Current Assets	21.89	24.49	25.19	36.07	30.27
Total Assets	40.76	45.03	44.24	54.05	47.51

* Other Non-current Liabilities include Net deferred Liabilities

Source : ticker.finology.in

Strengths

- ❑ The company has shown a good revenue growth of 16.72% for the Past 3 years.
- ❑ The company has significantly decreased its debt by 6.88 Cr.
- ❑ Company has a healthy liquidity position with current ratio of 3.00.
- ❑ Company is with rising net profit margins - quarterly as well as TTM basis
- ❑ Growth in Net Profit with increasing Profit Margin (QoQ)
- ❑ Book Value per share Improving for last 2 years
- ❑ Recent Results : Growth in Operating Profit with increase in operating margins (YoY)
- ❑ Company with Zero Promoter Pledge

Financials >

Piotroski Score ⓘ

8

indicates **Strong Financials**

- ❑ Rising Net Cash Flow and Cash from Operating activity
- ❑ The company has a good cash flow management; CFO/PAT stands at 1.05
- ❑ The company has an efficient Cash Conversion Cycle of 72.33 days.

Cash Flows (All Figures are in Crores.)

PARTICULARS	MAR 2019	MAR 2020	MAR 2021	MAR 2022	MAR 2023
Profit from operations ⓘ	5.16	5.59	4.39	5.36	2.04
Adjustment ⓘ	1.93	1.78	1.70	1.83	2.07
Changes in Assets & Liabilities ⓘ	-2.38	-2.25	0.25	-10.35	4.01
Tax Paid ⓘ	-0.52	-1.20	-0.76	-1.53	-0.72
Operating Cash Flow ⓘ	4.19	3.91	5.58	-4.70	7.40
Investing Cash Flow ⓘ	-3.41	-2.97	-0.03	-0.32	-0.79
Financing Cash Flow ⓘ	-1	0.78	-1.78	-0.41	-0.53
Net Cash Flow ⓘ	-0.22	1.72	3.76	-5.43	6.07

Source : ticker.finology.in

Quarterly Income Statement Analysis

Quarterly Result (All Figures in Cr.)

PARTICULARS	DEC 2022	MAR 2023	JUN 2023	SEP 2023	DEC 2023
Net Sales	19.06	19.02	19.26	18.48	23.01
Total Expenditure	18.64	16.45	17.31	17.62	20.85
Operating Profit	0.42	2.57	1.96	0.86	2.16
Other Income	0	0	0	0	0
Interest	0.17	0.20	0.10	0.03	0.07
Depreciation	0.41	0.39	0.39	0.39	0.39
Exceptional Items	0	0	0	0	0
Profit Before Tax	-0.16	1.98	1.47	0.44	1.71
Tax	0.01	0.37	0.32	0.12	0.23
Profit After Tax	-0.17	1.61	1.15	0.33	1.47
Adjusted EPS (Rs)	-0.16	1.47	1.05	0.30	1.35

Over the last 3 years on average, earnings per share has fallen by 4% per year but the company's share price has increased by 32% per year, which means it is well ahead of earnings.

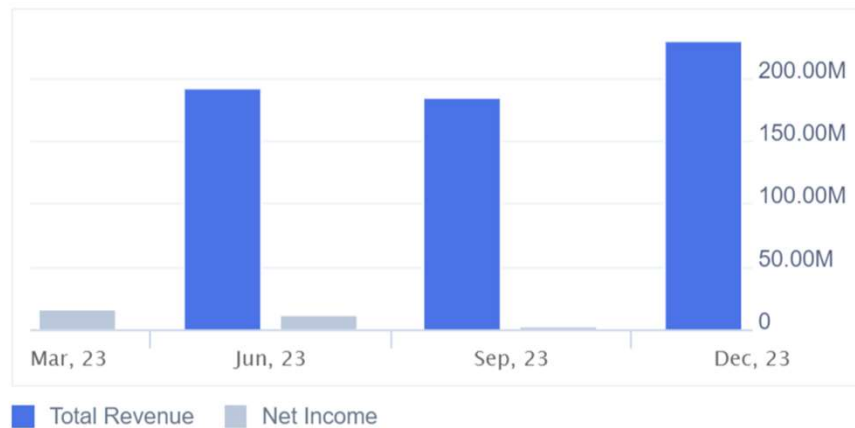
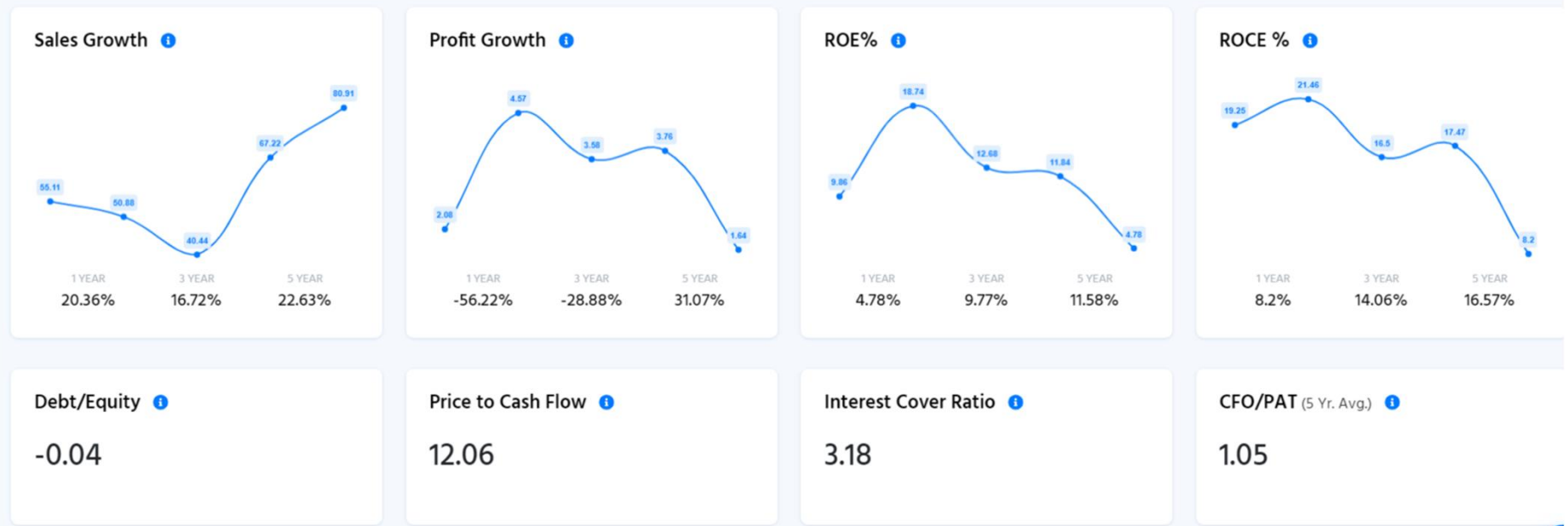
Feb 11

- ☐ Third quarter 2024 results: EPS: ₹1.35 (up from ₹0.16 loss in 3Q 2023).
- ☐ Revenue: ₹230.1m (up 21% from 3Q 2023).
- ☐ Net income: ₹14.7m (up ₹16.4m from 3Q 2023).
- ☐ Profit margin: 6.4% (up from net loss in 3Q 2023). The move to profitability was driven by higher revenue.

Source : ticker.finology.in

Performance in Charts

Ratios



Source : ticker.finology.in

3.2 Earnings and Revenue History

Sep 30 2023

Revenue ₹755.403m /yr

Earnings ₹29.105m /yr

3.9% profit margin

Free Cash Flow ₹36.028m /yr

₹900m

₹0

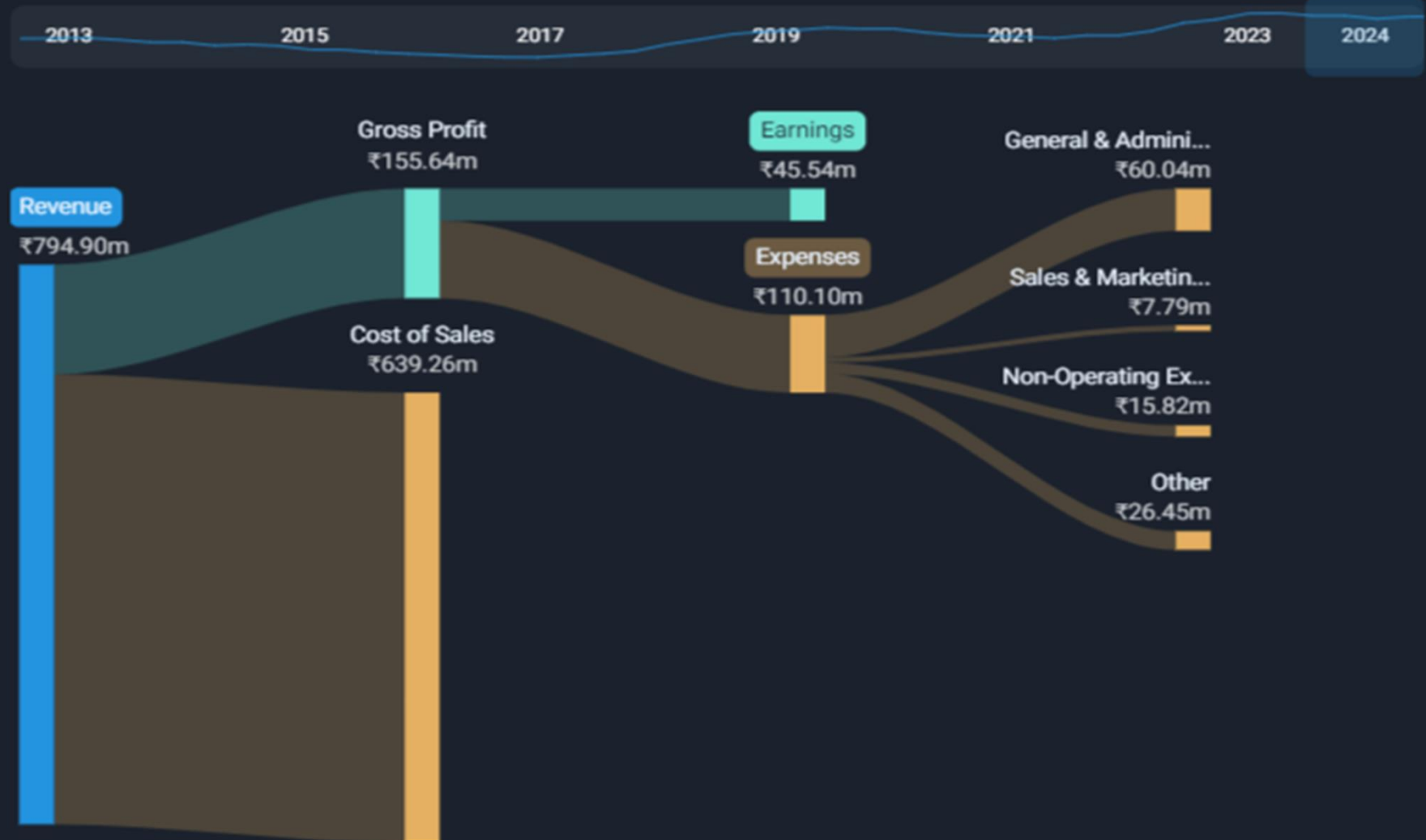
-₹100m

2014 2015 2016 2017 2018 2019 2020 2021 2022 2023

Source : SimplyWallStreet.com

3.1 Revenue & Expenses Breakdown Beta

How Krishanveer Forge makes and spends money. Based on latest reported earnings, on an LTM basis.



Data ...

Price Chart

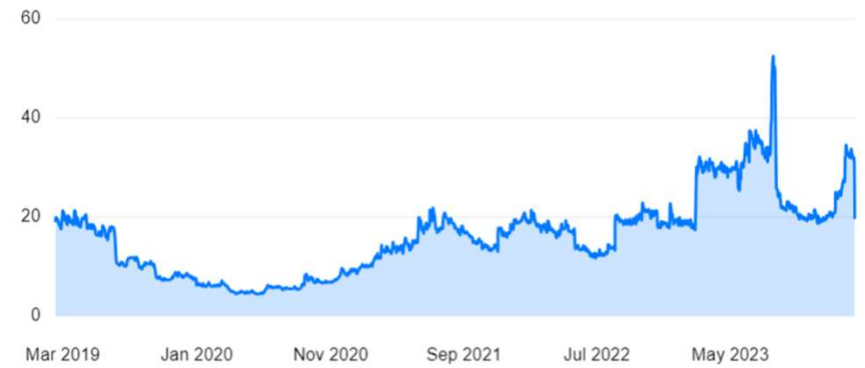
1d 1w 1m 3m 6m 1Yr 3Yr 5Yr

CAGR Return : **18.9%**



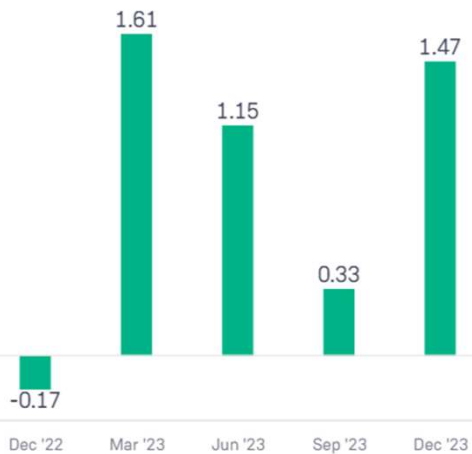
PE Chart

1w 1m 3m 6m 1Yr 3Yr 5Yr



Net Profit

(*All values are in Rs. Cr)



PB Chart

1w 1m 3m 6m 1Yr 3Yr 5Yr



Source : ticker.finology.in

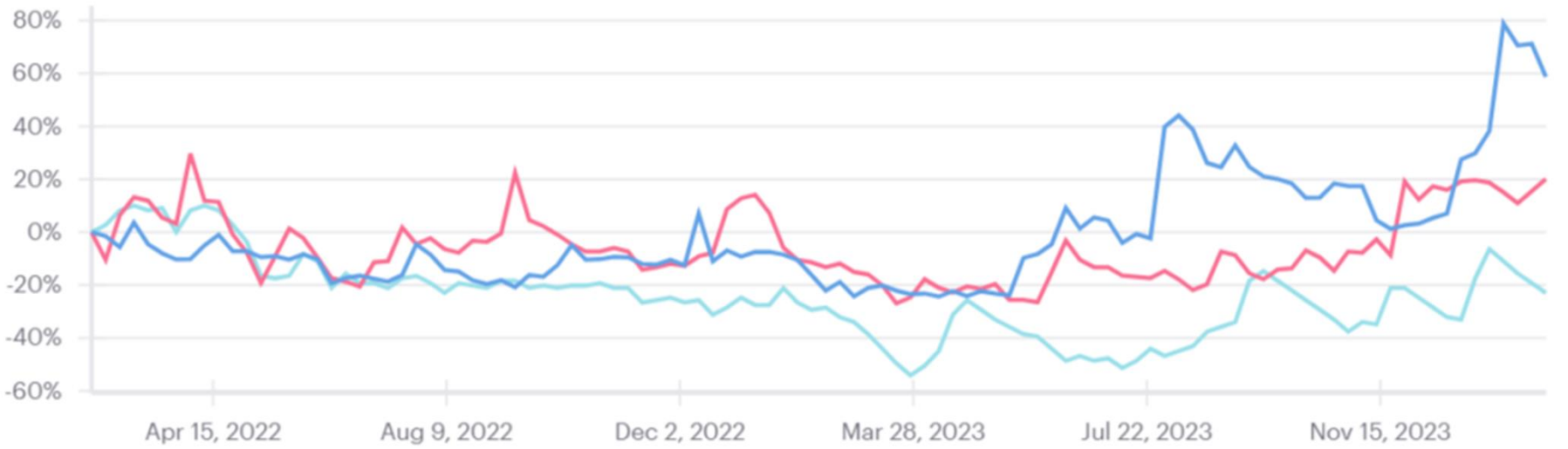
Source : Groww.in

Peer Comparison

Peer Comparison

COMPANY	PRICE Rs.	MCAP Cr.	P/B	P/E	EPS Rs.	ROE %	ROCE %	P/S	EV/EBITDA
Hilton Metal Forging	138	289.80	3.04	33.60	4.11	8.75	10.03	2.76	18.71
Samrat Forgings Ltd.	410	205.00	6.67	45.30	9.05	18.81	15.27	1.13	16.86
Ganga Forging	16.20	195.43	9.08	100.68	0.16	13.29	6.64	5.85	84.67
Tirupati Forge	18.20	178.36	4.35	25.99	0.70	29.91	33.41	1.94	13.76
Kalyani Forge	411.70	149.78	1.39	25.52	16.13	3.46	6.18	0.56	8.30
Krishanveer Forge	81.50	89.16	2.34	19.58	4.16	4.78	8.20	1.10	11.64
Smiths & Founders	5.64	57.53	16.05	158.43	0.04	8.07	9.57	5.50	65.17
Pattech Fitwell Tube	58.50	45.38	2.54	93.38	0.63	8.33	6.57	3.85	39.35
EL Forge	12.30	25.00	0	21.08	0.58	0	0	0.43	5.50
Metalyst Forgings	4.20	18.29	0	0	-72.07	0	-22.43	0.07	753.31

Source : ticker.finology.in



Source : ticker.finology.in

Management Leadership

Arun Krishankumar Jindal

Chairman & Non Executive Dir.

Non-Independent Age: 62 Yr DIN: 00121523

Current Company

Krishanveer
Forge Ltd.

Qualifications

BE (Mechanical)

- ❑ Mr. Arun K Jindal is BE (Mechanical) from Mumbai University.
- ❑ He Has more than 35 years of experience in forging industry.
- ❑ He has been a Chairman of All India Forging Association of India

Nitin Rajore

Whole-time Director

Non-Independent Age: 63 Yr DIN: 01802633

Experience

42 Years

Current Company

Krishanveer
Forge Ltd.

Qualifications

BSc (Chemistry)

- ❑ Mr. Rajore is B.SC (Chemistry) Hons and has experience of about 37 years in the field of Manufacturing which includes overall management and administration and Finance.
- ❑ He is on the board of Krishanveer Forge Ltd., Western India Forgings Pvt Ltd., Orient Precision Engineering Pvt Ltd. and Matushree Holdings Pvt Ltd.

Source : Company Disclosures

Ratanlal Tikaram Goel

Independent Director

Current Company

Krishanveer
Forge Ltd.

- ❑ CA R T Goel , M.Com, LLB, FCA, ACS Aged about 55 years is a well known Chartered Accountant and Company Secretary from Pune, having rich professional experience of more than 32 years in the field of Financial Management, Accounting, Auditing, Taxation, Corporate Laws, Project Financing, Budgeting, MIS, Statutory Compliances etc.
- ❑ He has worked with reputed Companies like Sudarshan Chemical Industries Ltd, Premium Transmission Ltd, Autoline Industries Ltd and others.
- ❑ He possess experience of various kind of Industries and Business houses, including Chemicals, Engineering, Automobiles, where he has acted as Chief Financial Officer and in charge of Legal & Secretarial Function as Key Management Personnel.
- ❑ During his professional assignments he has made significant contribution to the Corporates in Setting up of the systems & processes, formulation of Business Strategies including Mergers & Acquisitions and improving overall performance of the Company.

Sudha Santhanam

Independent Director

Current Company

Krishanveer Forge
Ltd.

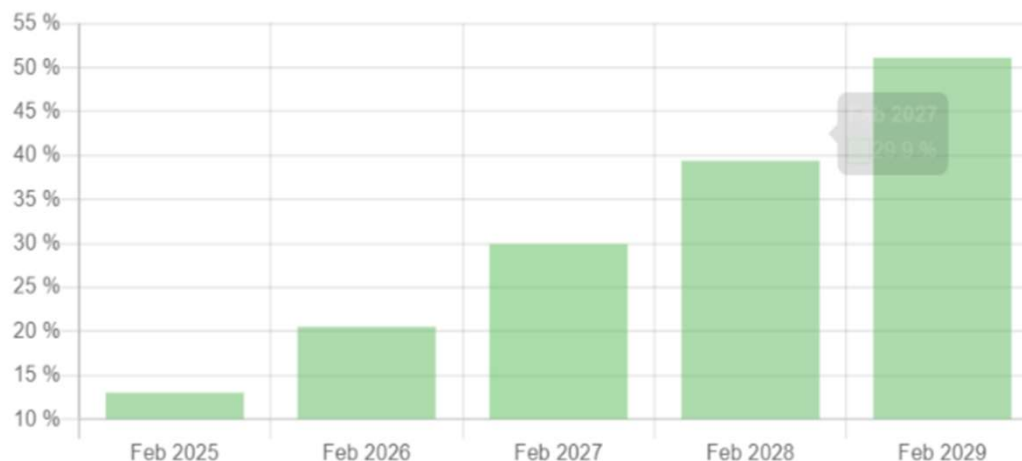
- ❑ Ms. Sudha Santhanam is a Chartered Accountant and Company Secretary with over 30 years of post-qualification experience. She is an all India Rank holder and medalist in both these professional exams.
- ❑ She has worked with major corporates in India, including Thermax Limited as Company Secretary as well as with the Kirloskar group of companies where she was their CFO and company Secretary.
- ❑ She has been a Director in joint ventures floated by the Kirloskar group of companies. One such joint venture is with the Emerson group of companies a Fortune 100 company.
- ❑ Ms. Sudha has in addition to these companies worked with multinationals in India, as well as in Hong Kong and Singapore where she was the group CFO.
- ❑ Among her various assignments included integrating the company's international accounting systems to be on a common platform as well as integrating the corporate structure for a more efficient tax model.
- ❑ She was also instrumental in the subsequent integration with Singapore stock exchange requirements as well as taking the company for an IPO.
- ❑ Ms. Sudha has also been associated with one of India's leading law firms in doing due diligence and other legal consultations with respect to corporate matters.
- ❑ She is also currently associated with Bilcare on various legal and financial issues including SEZ compliances and similar such regulatory requirements across multiple platforms.
- ❑ Among the various assignments she has undertaken include acquisitions both international and domestic, due diligence reports, project reports for new ventures, capital budgeting and analysis and helping to raise funds for such acquisition.

Source : Company Disclosures

Future Outlook



Krishanveer Forge (513369) Forecast Earnings Growth



Source : WalletInvestor

- ❑ As explained in the Boards Report, The Management is in the process of analyzing and optimizing the cost structure, exploring opportunities for efficiency improvements, negotiating with suppliers for better pricing, cost reduction and implementing strategies to come up with a revised pricing structure for its products and to insulate it to the extent possible from higher input cost.
- ❑ The Management is closely monitoring the global scenarios as well.
- ❑ The Make in India initiative aims to transform India into a global manufacturing hub and promote domestic manufacturing across various sectors.
- ❑ The Forging industry in India has been a significant beneficiary of this initiative, and its outlook remains positive.
- ❑ The company expects to benefit from this initiative through an increase in domestic demand for its products, export opportunities, and technological advancements.

Source : IIFL

Registered Office of Krishanveer Forge Limited

Address : Office No. 511 to 513,,Global Square, S.No.247,,14B, Yerawada,

City : Pune

Pin Code : 411006

Email : invest@rkforge.in

Internet : <http://www.rkforge.in>