ORGANISATION STUDY REPORT ON

KIRLOSKAR FERROUS INDUSTRIES LTD, KOPPAL

Submitted By:

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VISVESVARAYA TECHNOLOGICAL UNIVERSITY, BELAGAVI

In partial fulfilment of the requirement for the award of the degree of

MASTER OF BUSINESS ADMINISTRATION

Under the guidance of

INTERNAL GUIDE

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ALVA'S
Education Foundation®

PG DEPARTMENT OF BUSINESS ADMINISTRATION

ALVA'S INSTITUTE OF ENGINEERING & TECHNOLOGY MOODBIDRI

MARCH-2023

DECLARATION

I TEJENDRAPRATAP V CHAWAN, hereby declare that the internship and organizational study report entitled "ORGANIZATION STUDY AT KIRLOSKAR FERROUS INDUSTRIES LTD " prepared by me under the guidance of MR.NEERAJ S RAI faculty of M.B.A Department, Alva's institute of engineering and technology

I also declare that this study is towards the partial fulfilment of the university regulations for the award of degree of Master of Business Administration by Visvesvaraya Technological University.

I have undergone an internship and organization study for a period of 4 weeks. I further declare that this report is based on the original study undertaken by me.

Place: KOPPAL

TEJENDRAPRATAP V CHAWAN

USN 4AL21BA0100

ACKNOWLEDGEMENT

It was my privilege to undergo the organization study at Kirloskar Ferrous Industries Ltd There are many people who have helped me to complete this study successfully. It is with the gratitude that I acknowledge the help, which guided my efforts with success.

It is my foremost duty to express my wholehearted thanks to my guide MR.NEERAJ S RAI for the valuable guidance, support and motivation during the course of this study. The inspiration provided by my guide at every stage of my work has helped me immensely in completion of this organization study and preparation of this report. I am also very thankful to Alva's institute of engineering and technology and faculties of the MBA department for their co-operation

Place: KOPPAL TEJENDRAPRATAP V CHAWAN

Date: 01/03/2023

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EXECUTIVE SUMMARY

This study is an opportunity to know how the theories can be applied to practical situations. As an MBA student of Alva's institutes of engineering and technology this is a part of study for everyone to undergo internship at some good organization. So, this purpose I got the opportunity of internship program in "**Kirloskar Ferrous industries limited** ". This report is divided into six chapters.

It contains the background of the company nature, vision and mission, and it involves work flow model, ownership pattern of company. In third chapter we have done study on McKinsey's 7s framework and this helps to know about the company's hard and soft elements.

After this in fourth chapter we got to know about the strength, weakness, opportunities, and threats of company. Fifth chapter is all about analysis of financial statement. At last, in sixth chapter is learning experience here we have given us our own opinion regarding the study.

CHAPTER 1
INDUSTRY PROFILE

The steel industry is experiencing one of the longest upswing periods for many years. Since the beginning of 1987, steel production has had to ride for almost 29 months, with 1988 bringing an increase of Western world output to 448 million metric tons of crude stolen, or 8% more than in 1987. Demand from neighbouring China the words first bookmaker and users also became all the economic growth and the country builds a stadium for the 2008 Olympics in Beijing.

Government policies and the International Monetary system with pegged but Adjustable rates and the U.S dollar as a reserve currency have favoured this rapid growth this period is commonly called the post-war reconstruction period. The intensity of steel's economic growth was rising at a vast rate between1950-60**.** The steel industry has harvested to the bitter of this excessive optimism in the firm of overextended capacities throughout the world. Like this KFIL. Steel is not without lots of company in that regard. Another important influence on steel intensity is the replacement of steel with other materials. Calculating that portion of the reduction in the specific consumption of steel that is due to the use of other materials is extremely difficult. However, estimates made by the International Iron and steel institute would seem to indicate that for all of the Western industrialized countries the rate of substitution of between 2 and 5 per cent of steel consumption materials such as plastics, aluminium, glass and timber for steel is presently standing at Earlier to the Government liberalization and de- licensing policies in 1991.92, there were mainly two pig iron producers in the Indian market; the two pig iron producers were **TISCO** and **SAIL**. They used to produce basic grade pig iron which contains less silicon content when converted to foundry grade pig iron. So when this is used by the foundries they have Ferro silicon for the conversion to foundry grade also the available quantity of pig iron to the foundries was very

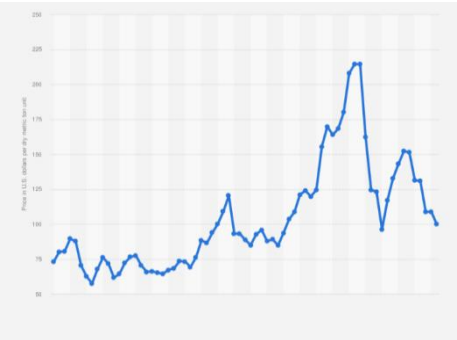
much limited because only TISCO and SAIL were looking after all the foundries in India.

After the liberalization and de-licensing policies of the government and private sectors showed keen interest in the pig iron manufacturing units that to in the production of foundry grade pig iron**, TATA group in collaboration with Korf brazil started supplying mini blast furnaces of 250 cubic meters**. When blast furnaces were available, many private sectors started. Producing pig iron among them. Goa and Ushalspat, Sisco (southern iron and steel co.ltd). Uni Metal, Meco, Lanco, sathavana, Kirloskar are main. These all pig iron producers started producing mainly foundry-grade pig iron.

GLOBAL SCENRIO OF PIG IRON:

The demand for the international has a sharp rise, the total proton or pig iron. Pig Iron is an intermediary product of smelting iron ore with coke. It has a high carbon content ranging from 3.5 to 4.5%. Which makes it very brittle and not useful directly as a material except for limited applications? The original shape of the moulds used for these ingots (The pigs) was in the form of branches formed in sand, with many individual ingots at right angles to a central channel. When the metal had cooled and hardened, the smaller ingots (The pigs) were simply broken from the much thinner runner (the sow), hence the name pig iron. As pig iron 1 was intended for remoulding, the uneven size of the ingots and inclusion of small amounts of sand was insignificant compared to the case of casting and handling.

GROWTH OF PIG IRON IN INDIA:



Before liberalization, the pig iron industry was monopolized by the integral steel plants to utilize the liberalization policy initiated by the government. The decline in pig iron production paved the way of helping ISP's utilize pig inns for making steel to gain value addition. The integrated steel plant (ISP) is the major supplier of the prig-run Public sector and contributes to the Pig Iron supply. According to the Steel Ministry Report, demand for Pig iron is estimated to increase by 37% over the next 8 years. Steal- a versatile commodity, the most widely used metal in the world. forms a core constituent of all major economies. Accordingly, Steel Consumption is a derivative of the growth pattern of its various end-use sectors viz. manufacturing, housing, infrastructure, automobile etc. But ultimately steer the country's economy. Production and prices were determined and regulated by GOL. The steel sector was deregulated in 1991-92 when controls on capacity and prices were abolished along with quantitative trade restrictions. Import tariffs were also brought down substantially. In 2000-01, the Indian steel industry operated at a finished Noel production level of 26.7 million tonnes with apparent finished steel consumption of 26.9 million tonnes. However, with the onset of liberalization, the Indian steel sector witnessed the entry of several domestic private players and large private investments flowed into the sector to add fresh capacities. In 2004-05, the indigenous production of steel was 38.4 million tonnes along with apparent finished steel consumption at 33.4 million tonnes, in the year 2008-09 demand for steel will decrease due to the recession. Today, India produces steel of international standards conforming to almost all grades and varieties and has been a net exporter for the past few years, which shows the growing acceptability of its products in the global market, and most importantly its increasing global competitiveness. India continually posts phenomenal growth records in steel production. In 1992, India produced 14.33 million tons of finished carbon steel and 1.59 million tons of pig iron. Furthermore, the steel production capacity of the country has

increased rapidly since 1991 in 2008, India produced nearly 46.575 million tons of finished steel and 4.393 million tons of pig iron. Both primary and secondary producers contributed their share to this phenomenal development, and these increases have pushed up the demand for finished steel at a very stable rate. In 1992, the total consumption of finished steel was 14.81 million in 2008, the total amount of domes se constitution was 43.925 million. With the increased demand in the national market, a huge part of the international market is also served in this way. The steel industry is believed to have been operating at wound 90 per cent capacity utilization factor in 2001. As per International, Iron and Steel Institute estimates global steel demand has increased by around 8.8 per cent. The Indian steel industry is almost 100 years old now. Till 1990, the Indian steel industry operated under a regulated environment with insulted markets and large-scale capacities reserved for the public sector The steel sector was deregulated in 1991-92 when controls on capacity and prices were abolished along with quantitative trade restrictions. Import tariffs were also brought down substantially. In 2000-01, the Indian steel industry operated at the finished steel production level of 26.7 million tonnes with parent finished steel consumption at 26. 9 million tonnes. However, with the onset of liberalization, the Indian steel sector witnessed the entry of several domestic private players and large private investments flowed into the sector to add fresh capacities. In 2001-05, the indigenous production of steel was 38.4 million tonnes along with apparent finished consumption of 33.4 million tonnes, in the year 2008-09 demand for steel will decrease due to the recession. Today, India produces steel of international standards conforming to almost all grades and varieties and has been a net exporter for the past few years, which shows the growing acceptability of its products in the global market and most importantly its increasing global competitiveness Steel production in India has to teased by a compounded annual growth rate (CAGR) of 8 per cent over the period 2002-03 to 2006-07. Going forward, growth in India is projected to be higher than the world average, as the per capita consumption of steel in India, all around 46 kg. is well below the world average (150 kg) and that of developed countries (400 kg). Indian demand is projected to rise to 200 million tons by 2015. Given the strong demand

scenario, most global steel players are in massive capacity expansion mode, either through Brownfield or Greenfield rule.

INTRODUCTION ABOUT KIRLOSKAR FERROUS INDUSTRIES LIMITED

Kirloskar ferrous is a 600+ Million us dollars engineering conglomerate driving industries. They are century-old pioneers in our area of specialization like power, construction, mining, agriculture industry, transportation, oil &gas, and environmental protection with a range of world-class industrial products and turnkey services

We are made up of 8 major group companies each of them are led by the best engineering and managerial talent in India in addition to engineering. We have an interest in civic utility systems and information technology, our multi-unit, multi-product, a multi-location conglomerate is built on the plinths of experience, expertise, quality, innovation, and values in the business, our best play is successful work and creation of a new industrial order where we can provide a tailor-made solution to the customers

At Kirloskar, listening to the customer and his needs is a tradition as old as the group itself .for it they are who drive us further making us reach higher and engineering better solutions .in the customer's an often unspoken wish for better implementation lies the seed for a new invention, a path-breaking industrial concept

CHAPTER 2

ORGANIZATION PROFILE OF KIRLOSKAR FERROUS INDUSTRIES LIMITED

Kirloskar Ferrous Industries Limited (KFIL) is the youngest company in the Kirloskar Group. The company is the large-scale industry to begin operations in the rural & industrially backward district of Koppal. 1991 KFIL was incorporated. It began Manufacturing Foundry Grad Pie Iron in April 1991 and Automotive Castings in April 1995 The Company's Pig Iron & Casting is well known for its quality throughout the country. The company is for manufacture & selling of pig iron in India. The manufacturing facilities at the company are of world standard & the market for its automotive castings is growing steadily. The company is located on the banks of Tungabhadra reservoir, near the rich iron belt of the Hospet-Bellary range, adjacent to NH 63 connecting Hospet-Hubli passing through Koppal & Gadag. The plant is 16km. from Hospet Koppal. NH-13 connecting Chitra Durga Sholapur passes by the side of the plant. The rest railway station is Ginigera, which is 5.0 Km away from the plant KFIL operates at locations. One at Bevinahalli in Koppal District our Hospet on the banks of the Tungabhadra reservoir in Karnataka, which is near to the rich iron ore belt Another one at Solapur in Maharashtra came into the fold of KFIL on 1st January 2007. The industry was born with the unique advantage of having behind the immense accumulated experience of the group in the field of foundry business, a time when the de-licensing and liberalization policies of the government were resulting in rapid growth in automotive and farm mechanization.

2.1 Background

Laxman rao Kirloskar was born on 20 June 1869

The Kirloskar group's origins were small but significant. In 1903, Sri Laxman Rao Kashinath Kirloskar opened a bicycle shop in the Belgaum of Karnataka.

This modest venture has grown the Kirloskar group of more than 15 manufacturing companies with an annual turnover exceeding 116 million pounds string and engineering field in India. Kirloskar product includes pumps, farm machinery, machine tools, diesel engines, electrical machinery a wide variety of forging electric switch pears and tractors

The First Kirloskar group Company:

- **Kirloskar Brothers Limited (KBL)** –

The first Kirloskar venture at Kirloskarvadi was to become the base for all Kirloskar Group's subsequent enterprises. It began as the only Indian company with its standard products - the fodder cutter and the iron plough, which competed with British products. KBL also manufactured groundnut shellers, sugarcane crushers, and pumps to guide a new economic order in the Indian industry. To power, these machines, diesel engines, coal gas generators, and electric motors were developed at Kirloskarvadi. In a display of great versatility, KBL further shifted its focus to fluid management and control. As India's largest manufacturer of pumps and valves, and also the group's flagship company, KBL lends its strength and expertise to every new venture of the Kirloskar Group. The intensified boycott of British goods and the approaching World War threatened to stop imports of machine tools into India. The Kirloskar, with characteristic foresight, began making machine This paradigm

Kirloskar
Enriching Lives
KIRLOSKAR BROTHERS LIMITED

shift of natures, from farm implements to machine tools, created a new company- The Mysore Kirloskar Limited. This company, in Harihar, benefited from the patronage of yet another Raja [the maharaja of Mysore). Mysore Kirloskar sold all seven manufactured lathes in the first month of production.

The new generation -Innovation, creation, tradition

From colonialism to independence:

An important change for country and one of its largest industrial companies (the Kirloskar Group). The change in the political climate of the 1940s marked the end of the royal patronage of the enterprise. The policy shifts and changes in authority were the order of the day. This marked a turning point for the group. Shantanu Rao Kirloskar, the founder's eldest son, went to Pune to introduce a new aspect of the company's activities (diesel engines). His experience of trying to get land for his plant in Pune was quite different from his father's in Kirloskarvadi. There was no kind sovereign here to give away acres for free. Shantanu Rao faced a tangle of bureaucracy and public resistance to acquiring land for industrial purposes. Finally, after arguing that plants have a longer life than humans Shantanu Rao Kirloskar won a place for Kirloskar Oil Engines Ltd. (KOEL) 12 months after signing a collaborative arrangement with Associated British Oil Engines Export Ltd. of the UK. This collaboration was the first of its kind between an Indian company and a foreign company which was meant to bring the technology gap between East and West closer. The KOEL factory was incorporated in 1946, giving India its first vertical high-speed engine soon after Brijlal. Sarda, who reported its satisfactory operation for over four decades, purchased this first engine.

To Electric Motors & Pneumatics:

KIRLOSKAR ELECTRIC COMPANY LTD.
Converting Energy to Serve the Billions

The making of electric motor. This was the second long-admired dream of Laxman rao Kirloskar's, the first was making of an engine. This task was carried to completion by Ravi

Kirloskar her youngest son, in 1946. At the time, the authorities that Kirloskar had approached to obtain land were surprised by the request for 25 acres. Today, Kirloskar Electric Company Limited (KECL) has nine manufacturing locations occupying several times that area. The establishment of KECL and other companies in Kirloskar saw an important role played by Nanasaheb Gurjar, a lawyer who made the industry his sole area of operation. Though the development of air compressors was an established activity at Kirloskarvadi, a full-fledged plant to manufacture the same was set up at Pune in 1958, under the eventual management of Shreekant Kirloskar, Shantanurao's youngest son.

In collaboration with Broom and Wade from England, Kirloskar Pneumatic Company Limited started manufacturing air compressors and pneumatic tools.

THE KIRLOSKAR GROUP OF COMPANIES:

- **Kirloskar Brothers Limited (KBL):**

-It became the only India Company with its standard products the file cutter and the iron plow, which competed with the British product. Established in the year 1988 and incorporated in 1920 is the acknowledge. Leader in fluid handling and largest manufacturing and exporter of pumps in India. It acquired SPP, VK in November 2003 consisting of three plants in the UK, USA and Africa manufacturing firefighting pumps, and water and sewage pumps.

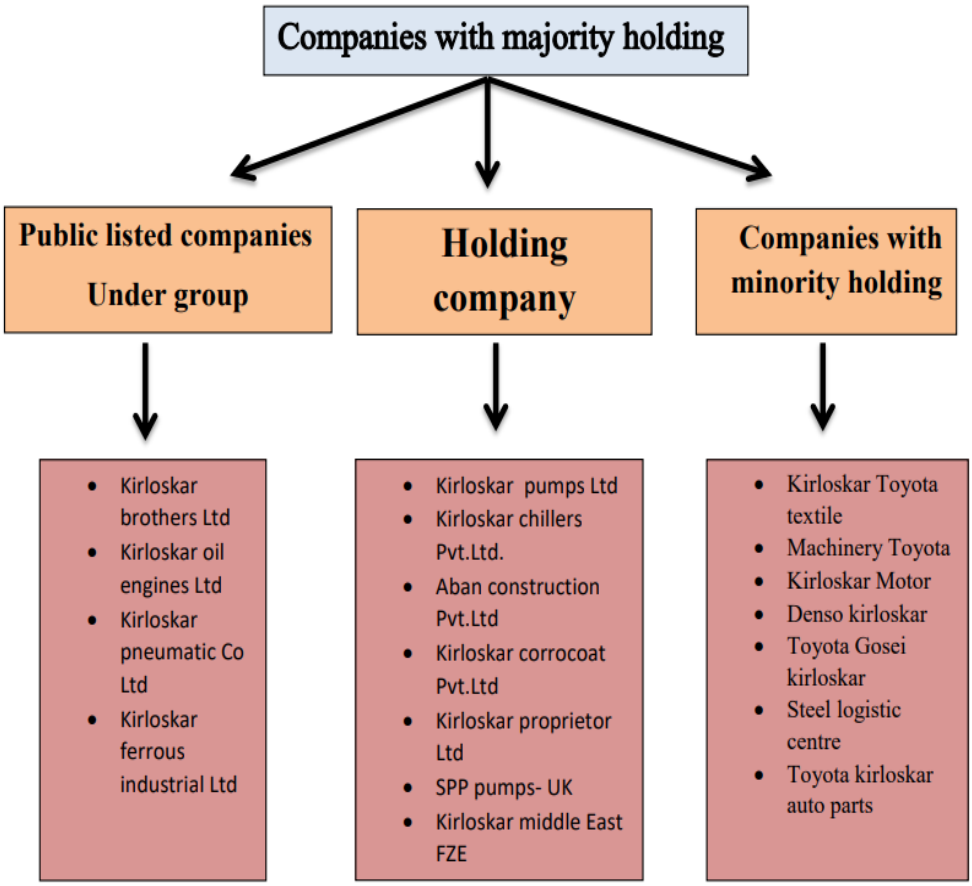
- **Kirloskar Ferrous Industries Limited (KFIL):**

-It was set up in 1992 with two grey and pig iron factories employing 1290 people.

- **Kirloskar Oil Engines Ltd. (KOEL):**

-The Corporation was incorporated in 1946. It has six plants with more than 3100 employees, manufacturing Diesel engines Generating sets, Engine bearings and values.

- **Kirloskar** -group is a century old pioneers in the area of specification like power construction and mining, agriculture, industry and transport, oil and gas and environment protection with a range of world-class industrial products and turnkey services. Kirloskar has shaping capable managers at Kirloskar Institute of Advanced Management Studies (KIMS). It is Kirloskar education Centre for imparting knowledge to the managers of tomorrow



THE KIRLOSKAR STORY:

It has now been more than a century since the Kirloskar story started. We started with an aim of becoming the pioneers in fields in which our country needed innovation. In the 100 years and more that we have been in existence as a family and as an organization, they have been seminal to Indian agricultural and industrial development. They gave India its first iron plough, pump and engine; inventions that were born from the need of the hour and went on to become signs of the time. That is why our group history can in many ways be considered a history of the economic and industrial revolution in India. All though the passing years the Kirloskar group has had a long & close relationship with the foundry business with several group units specializing in the manufacture of high quality ferrous & non-ferrous casting.) While Laxman Rao Kirloskar established the group, his son S. L. Kirloskar played a major role in its rapid growth. S.L.Kirloskar transformed his vision into promising and thinking reality, of application of appropriate technology, customer satisfaction and dauntless integrity) SLK was a global thinker who had the courage and the confidence in his own country even in the pre-independence era. He often said, "Economic preparedness (awareness) is as vital as military preparedness." He always looked at India as a part of the rest of the world and struggled to make India globally competitive – that was his spirit of patriotism (nationalism). Kirloskar ferrous industrial limited was born with the unique advantage of having been conceived with ideas accumulated through experience and expertise of the group in the field of foundry business, at a time when the de-licensing and liberalization policies of the government came forth in the year 1992 resulting in the rapid growth in automobile and farm mechanization sectors, the making of the electrical motor. This was the second of the Laxman Rao Kirloskar's long cherished dreams, the first being the making of an engine. This task was brought to completion by Ravi Kirloskar, his youngest son, in 1946. KIFL"s state of the art foundry was the answer to the high volume demands of those sectors which requires thin-walled castings with small machining allowance and above all accuracies dimensional accuracy absolutely essential for matching on sophisticated machining centres in a single pass. KFIL, the only foundry in Asia with backward integration to liquid metal, has global capacities to meet high volume at consistent quality.

2.2 NATURE OF BUSINESS:

The company manufactures the Pig Iron in three different grades, by Calibrated from ore brought from mine owners in the Hospet & Bellary Iron-ore belt within the distance of 50 kms and grey iron castings. The business at KFIL divided into two divisions, one is the Pig iron manufacturing unit (called as "Pig iron SBU Strategic Business Unit) and the other is Foundry unit called as Foundry SBU

PIG IRON: KFIL supplies Pig iron to foundries catering to the Auto, Engines & Compressors, Textile Pumps Pipes, Fittings and Fans etc. Over the years KHL has developed a customer network across India (except eastern Region, through agents, dealers and branch offices. KEIL is reputed for its consistency in quality, delivery and service. To fulfil customer requirement accurately, heat wise stacking and loading of material are a norm in dispatches from KFIL In order to meet customized pig iron requirement, we undertake special grade production KFIL esteems in production of S.G (Sherardized Graphite) grade consistently Handling is made convenient with each Pie Iron piece designed to weigh 7-9 kg for use in all furnaces and cupolas. We believe in 'Making the process of pie Iron purchase more customer friendly' through enhanced delivery service with best logistics network and exclusive service providers KFIL branches and dealer network are located in major cities and also in proximity to foundry clusters for easy accessibility for all customers

CASTING: KFIL-Foundry is equipped to produce Grey Iron & S.G iron Castings for a variety of applications such as Cylinder Blocks, Cylinder head & different types of housing required by Automobile, Tractor & Diesel engine Industries A large share of our foundry production consists of components developed for the motive sector, which includes trucks, agriculture and road construction machinery, passenger vehicles, industrial and marine engines, etc. The parts include engine blocks and heads and parts for brake, transmission and axles

2.3 VISION, MISSION & QUALITY POLICY:

VISION: "To be a product leader in pig iron and casting business preferred business partner to all stakeholders"

MISSION: To become a Billion dollar company by 2030

PIG IRON

- To be a lowest cost producer
- Expand in to value added products
- To achieve 0.7 Million Tons of liquid metal by 2022

CASTING

- Exceed customer expectation in Product development, Quality & Delivery
- Expand into new segments of casting and value addition by machining.
- To achieve 0.2 Million Tons casting sales by 2025
- Expand into new products beyond iron castings
- To be a preferred Employer & responsible neighbour.

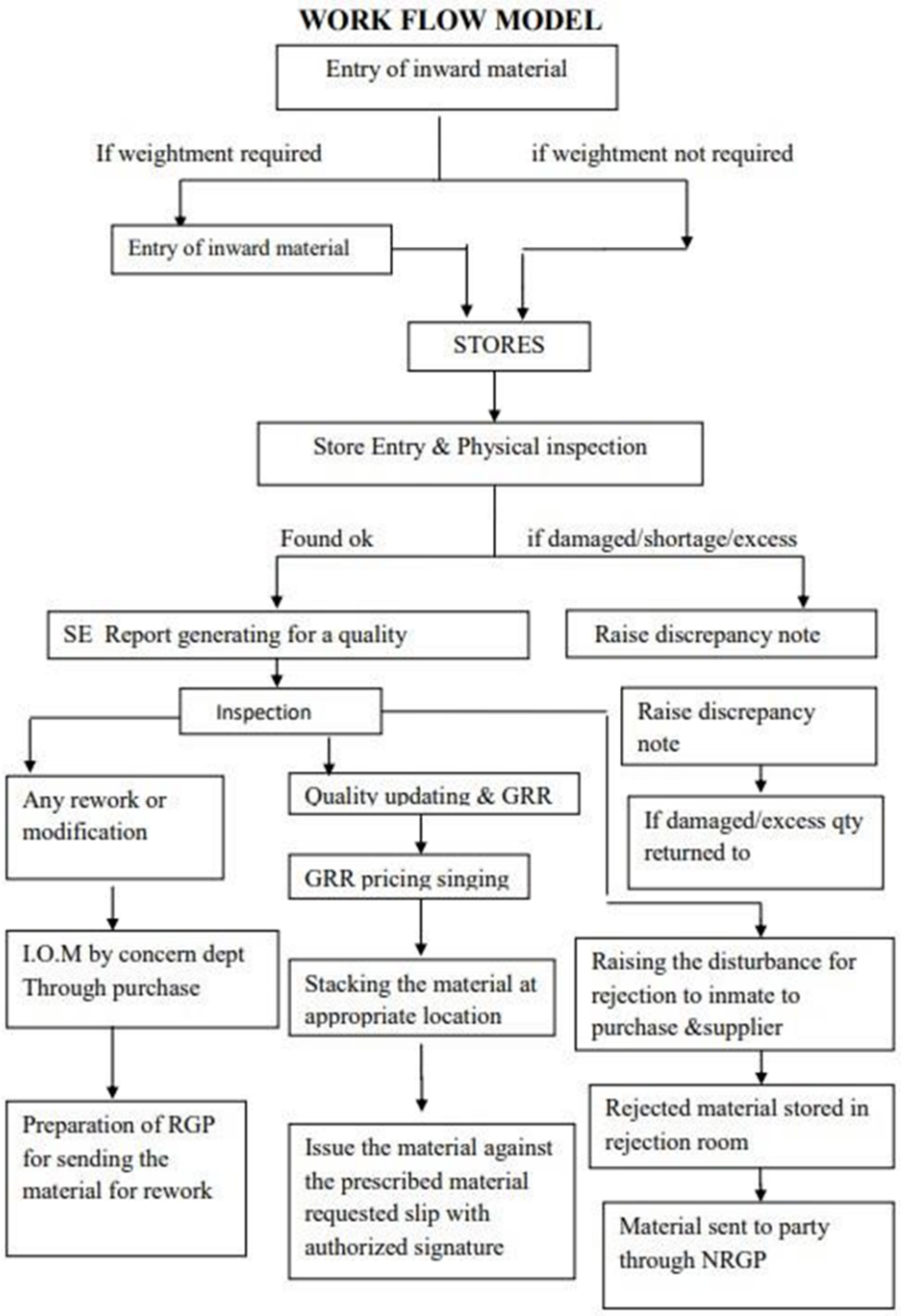
VALUES

- Customer focus.
- Integrity.
- Fairness & partnership development.
- Mutual trust & team work.
- Ability with discipline.
- Responsible corporate neighbours.

QUALITY POLICIES:

KFIL is to achieve total customer satisfaction through the adoption of state of manufacturing technology and processes with continual improvements KFIL is also committed to improving the quality of work life of its employees through improved work practices.

2.4 WORKFLOW MODEL



2.5 PRODUCT PROFILE

PRODUCT PROFILE: The following are the three different grades of iron manufacturing by the company. They are

- Foundry grade pig iron
- Spherical graphite grade
- Basic Grade

FOUNDRY/CASTING: KFIL- foundry is equipped to produce grey iron & S.G iron castings for a variety of applications such as cylinder heads and different types of housing required by automobile, tractor, and diesel engine industries. A large part of our foundry production includes components developed by the automotive sector, which includes trucks, agricultural and road-building machines, passenger vehicles, industrial and marine engines, etc. the parts include engine blocks and heads and parts for brakes, transmission and axles

PRODUCTS:

- **CYLINDER BLOCKS:**

The cylinder block is an integrated structure comprising the cylinder(s) of a reciprocating engine and often some or all of their associated surrounding structures (coolant passages, intake and exhaust passages and ports, and crankcase). The term engine block is often used synonymously with "cylinder block". We have to design capabilities and mature knowledge on the development of water jacketed blocks with high technological machines for core production. Ability to produce cylinder block casting used in EURO-3 to EURO-4 engine applications.

- **WATER JACKETED CYLINDER BLOCK.**
- **NON-WATER JACKETED CYLINDER BLOCK.**

No of Cylinders	Casting Weights(K	Material Grade
Cylinders Block	60-110	FG 200-300
4 Cylinders Block	90-170	
6 Cylinders Block	150-300	

Housing:

Kirloskar ferrous produce a variety of housings used in manufacturing tractors, commercial vehicles, industrial engines and construction equipment. The weight of these **castings ranges from 80 kg to 220 kg.**

Tractor industry has been associated with us over 18 years, with casting requirement from housings and transmission cases, casting to the industry

2.6 OWNERSHIP PATTERN

SHAREHOLDERS PATTERN OF KFIL

Category	No.of Shareholders	Total No.of Shares Held	% of share holding
(A) Promoter And Promoter group	20	8,17,83,822	59.56
(B) Mutual funds	6	85,34,041	6.22
(C) Foreign Portfolio Investors	9	8,60,967	0.63
(D) Financial Institutions/ Banks	1	500	00.0
(E) Non-Institutions	53750	3,50,84,103	25.55
(F) Any other	3079	1,10,44,648	8.04
Grand Total	56865	13,73,08,081	100

2.7 ACHIEVEMENTS AND AWARD

AWARDS:

- Best Green Foundry Award From IIF
- Jayaswal Neco Quality Award (Solapur Plant) for the year 2018: From the Institute of Indian Foundrymen – 2019
- "Excellence Award" from Mahindra & Mahindra – 2019
- CII- EXIM Bank Award for Business Excellence- Platinum Award – 2019
- FASTEST GROWING STEEL COMPANY (SMALL) 1st Place from Construction World – 2019

- `Unnatha Suraksha Puraskara' Award from National Safety Council, Bangalore – 2019

- K-Group Energy Conservation Award: "Best Innovative ENCON Project" – 2019
- K-Group Energy Conservation Award: Best Managed Energy Efficient Unit Award – 2019
- "Honest Tax Payer" - in recognition of their commitment for tax compliance amongst the large - scale industries located at Bellary-Hospet-Koppal region
- National Energy Conservation Awards: "Energy Award "Mini Blast Sector (from Bureau of Energy Efficiency of India)
- ET NOW CSR Leadership Awards for 'Community Development'
- "Best Supplier Award" - 'For Outstanding Contribution in Joint Product Development' from TAFE

ACHIEVEMENTS:

- KFIL is the first among few in India to adopt state of our technology with CNC controller machines consistent quality of pig iron.
- KFIL also records the project completion of MBF 1st within 18 months and 2nd MBF in 9months.
- Capacity utilization of two furnaces has increasing 107%92000-2001)
- Reproduction in power consumption per ton of costing production

2.8 FUTURE GROWTH AND PROSPECTUS:

GLOBAL SCENARIO OF PIG IRON

The international demand has a sharp rise, the total production of iron estimated at 500mt. the developed nation accounts for 45% of the production seeing the potential demand many mills in the USA such as Nucor, Norigstar, and steel are switching over to pig iron production.

GROWTH TREND OF PIG IRON SECTOR IN INDIA

Before liberalization the pig iron industry was monopolized by integral steel plants. By utilizing the liberalization policy initiated by the government many plants were set up. In turn pig, iron production paved the way for helping the 1st utilize pig iron for making steel to gain Value addition The integrated steel plant (ISP)s, the major supplier of pig iron contributes up to 90% of the pig iron supply.

GROWTH TREND OF THE COMPANY

As the company is committed to producing quality products, it results in attracting more customers & being competitive. As per the infrastructure is concerned, the company has a well-equipped & sophisticated infrastructure which helps the company to meet the customer demand in time. By looking at the present infrastructure, skilled workforce, technology & emerging demand condition, the company is planning to put one step ahead i.e. by diversifying the steel manufacturing industry. As the demand for automobile's are increasing the demand for the products of the company is also increasing, so the company has got a clear & bright future.

CHAPTER 3

MCKINSEY'S 7-S FRAME WORK

Introduction:

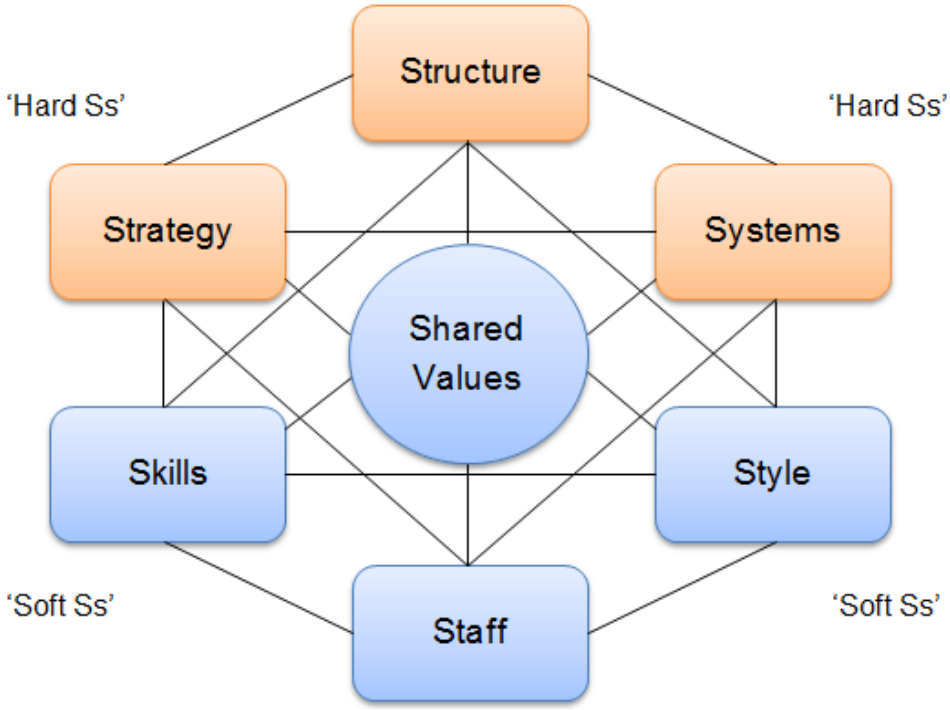
Japanese first introduced this model. The 7-S model is better known as McKinsey's 7-S. This is because of the two persons who developed this model. **Tom peters and Robert Waterman**, have been consultants at McKinsey and the company at that time. They published their 7-s model in their article "Structure is not organization" (1982). The model starts on the precise that an organization is not the first structure, but consists of seven elements

- Structure
- Skill
- Style
- Strategy
- System
- Staff
- Shared value

They argued that when things went wrong, these 7s were manipulated to give a solution. Out of the 7, the three "Ss" across the top of the model are described as "Hard Ss" Strategy, structure and system. The 4Ss across the bottom of the model skills, staff, style, and shared value are less tangible, more cultural in nature, and were termed 'soft Ss' by McKinsey. These are difficult to describe since capabilities, values and elements of corporate culture are continuously developing and changing. They are highly determined by the people at work in the organization.

The McKinsey's model has a widely discussed framework for viewing the interrelationship of strategy formulation and implementation It helps to focus attention on the importance of lining the chosen strategy to a variety of activities that can affect the implementation of that strategy. Originally developed as a way of thinking more broadly about the problems of organizing effectively the 7-S framework provides a tool for judging the strategies It is much more difficult to plan or to influence the characteristics of the soft

elements. Although the soft factors are below the surface, they can have an impact the hard structures, Strategies and systems of the organization.



1. STRUCTURE

Kirloskar Ferrous Industries Limited (KFIL) is a publicly listed company in India and operates in the iron and steel industry. The company has a hierarchical organizational structure, which includes the following key positions and departments:

Board of Directors: The Board of Directors is responsible for setting the company's strategic direction and overseeing its operations. The board is headed by the Chairman and comprises of independent directors and executive directors.

Executive Management: The Executive Management team is responsible for the day-to-day operations of the company. The team comprises of the

Managing Director, Chief Financial Officer, Chief Operating Officer, and other senior executives.

Functional Departments: The functional departments of KFIL include the following:

Production: The production department is responsible for the manufacturing of pig iron and ductile iron pipes. It comprises of various teams such as maintenance, quality control, and safety.

Marketing and Sales: The marketing and sales department is responsible for promoting the company's products and generating sales. It comprises of various teams such as sales, marketing, and customer service.

Finance and Accounting: The finance and accounting department is responsible for managing the company's finances, including budgeting, financial reporting, and compliance with financial regulations.

Human Resources: The human resources department is responsible for managing the company's human capital, including recruitment, training, and employee relations.

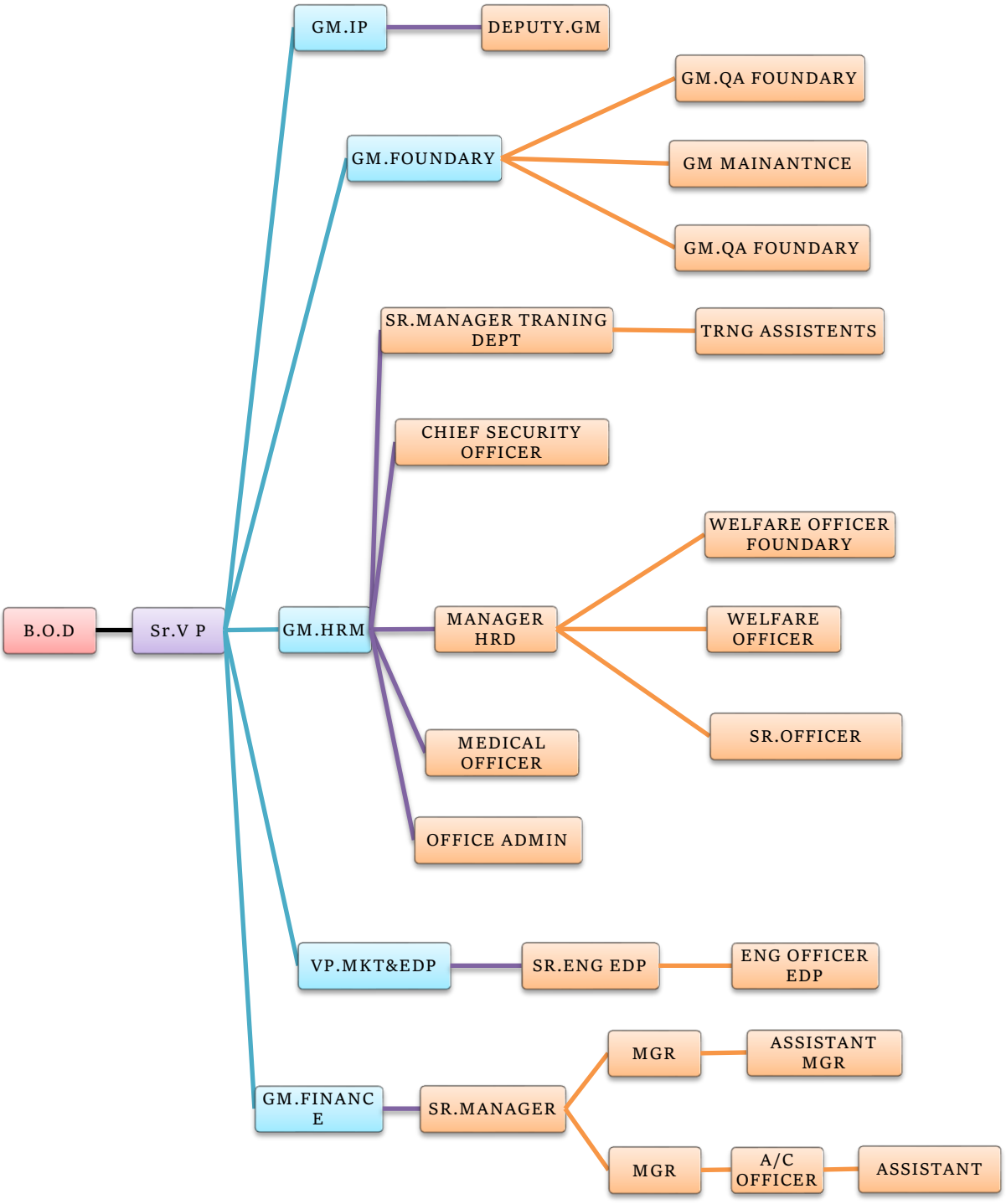
Research and Development: The research and development department is responsible for developing new products and processes to enhance the company's competitiveness.

Overall, KFIL's structure is designed to facilitate efficient decision-making, effective communication, and smooth coordination among different departments and teams. The hierarchical structure ensures that each level of management has a clearly defined set of responsibilities and reporting lines.

BOARD OF DIRECTORS

- MR. Atul Kirloskar - (Chairman)
- MR. Rahul C. Kirloskar - (Vice-chairman)
- MR. R.V Gumaste - (Managing Director)
- MR. A.N Alvani - (Non-Independent Non-Executive Director)
- Mrs. Nalini Venkatesh - (Independent Non-Executive Director)
- MR. Y.S Bhave - (Independent Director)
- MR.R. Chhabria-(Non-Independent Non-Executive Director)
- MR.V. Kotwal - Independent Non-Executive Director
- MR. M. Varma-(Independent Non-Executive Director)
- MR. Venkataraman - (Independent Non-Executive Director)
- MR.R. S. Srivatsan Executive Director (Finance) and C F O
- MR.Pravir Kumar Vohra (Independent Non-Executive Director)

The main term of the Organization structure comprehends all the possible Dimensions of the organization structure as in developing the ability to focus on these dimensions which are currently important to the organization's evaluations and to be ready to refocus as a crucial dimensions shift.


B.O.D
Sr.V P
GM.IP
DEPUTY.GM
GM.FOUNDARY
GM.QA FOUNDARY
GM MAINANTNCE
GM.QA FOUNDARY
GM.HRM
SR.MANAGER TRANING DEPT
TRNG ASSISTENTS
CHIEF SECURITY OFFICER
MANAGER HRD
WELFARE OFFICER FOUNDARY
WELFARE OFFICER
SR.OFFICER
MEDICAL OFFICER
OFFICE ADMIN
VP.MKT&EDP
SR.ENG EDP
ENG OFFICER EDP
GM.FINANCE
SR.MANAGER
MGR
ASSISTANT MGR
MGR
A/C OFFICER
ASSISTANT

2. SKILL

ON THE JOB TRAINING

- Orientation: New employees receive an orientation of the company, its culture, and its policies and procedures.
- Process training: Employees receive training on the specific processes and procedures they need to follow in their role, such as safety procedures, quality control processes, and manufacturing techniques.
- Equipment training: Employees receive training on the equipment they use in their role, including proper operation, maintenance, and safety.
- Mentoring: Experienced employees paired with new employees as mentors to provide guidance, support, and feedback on their performance.

OFF-THE-JOB TRAINING

- Technical training: Employees receive technical training in areas such as chemistry, process engineering, and environmental health and safety to help them better understand the science and technology behind the products they work with.
- Leadership and management training: Employees receive training in leadership and management skills to help them progress in their careers and take on more responsibility within the organization.
- Soft skills training: Employees receive training in soft skills, such as communication, teamwork, and problem-solving, to help them work more effectively with colleagues and customers.

3. STYLE

This includes the leadership style of top management and the overall operating style of the organization. Style impacts the norms people follow and how they work interact with each other and with a customer. The management training is democratic there are no restrictions to any employee to express his opinion.

The company has got open door policy, any level of an employee can meet directly with his superior or managing director without any hesitation. Strategy refers to the systematic action and allocation of resources to achieve the

company's aim. The integrated vision and direction of the company as well manner, in which it drives, articulates, communicates and implements that vision and direction. It can also be defined as the choice of direction and action that the company adopts to achieve its objectives in a competitive situation

4. SYSTEM

Systems are formal and informal procedures that govern everyday activity, covering everything from management information systems to the point of contact with the customer. The finance department is doing enough to properly plan and control the funds. There is regular program verification. The company is followed purely on basis of merit basis. Promotion will be given based on the pure merit system.

The company follows an inventory control system:

The raw material will be kept in the stores for 15 days only.

The finished products will be kept at the store for two days.

5. STAFF

This relates to those who work for an organization. The company's people resources, including their development, training, and growth

The hiring process includes several steps, including hiring, training, and selection of candidates. It describes how employees are created, educated, integrated, and motivated, as well as how their careers are structured inside a company.

SUPERVISORY STAFF – This person is responsible for supervising other employees of the organization. It employs experienced personnel as its supervisor. They can observe their colleagues and guide them based on the company's needs. Experienced supervisors are a key contributor to this enterprise.

TECHNICAL STAFF –These are the staffs that are responsible for the work related to the technical aspect. Within this company, they appoint qualified and experienced technical personnel. As a result, these employees will have a good knowledge of the workplace.

CLERICAL STAFF –These assets are responsible for the office work. These people are the backbone of the company. If they function correctly, they will be an asset to the business. In this business, they are the ones who are qualified for clerical work. These people work together to accomplish the company's goal.

6. STRATEGY:

The strategy refers to systematic action and allocating resources to achieve the company's objectives. The integrated vision and Direction. It can also be defined as the choice of direction and action that the company-7s adopts to actives its objectives in a competitive situation.

CORPORATE STRATEGY:

Vertical Integration: KFIL's strategy is to move up the value chain and become an integrated player in the iron and steel industry. The company plans to achieve this by expanding its existing capacity of pig iron production and by setting up a greenfield steel plant. KFIL also plans to enter the value-added steel products segment by setting up downstream facilities.

Diversification: KFIL's strategy is to diversify its product portfolio to reduce its dependence on a single product. The company plans to enter the manufacturing of alloy steel, ferroalloys, and other steel products to expand its product portfolio and cater to a wider range of industries.

Sustainability: KFIL's strategy is to focus on sustainability by reducing its carbon footprint and using renewable energy sources. The company plans to achieve this by setting up a 30 MW solar power plant and by using biomass-based fuel in its furnaces

BUSINESS STRATEGY:

Expansion of production capacity: KFIL's strategy is to increase its production capacity of pig iron and ductile iron pipes. The company has

already expanded its pig iron production capacity by 50% and plans to expand its ductile iron pipe production capacity by 25%.

Diversification of product portfolio: KFIL's strategy is to diversify its product portfolio to cater to a wider range of industries and reduce its dependence on a single product. The company plans to enter the value-added steel products segment by setting up downstream facilities.

Cost optimization: KFIL's strategy is to optimize its costs by increasing operational efficiency and reducing wastage. The company has implemented various cost optimization measures such as installation of energy-efficient equipment, process improvements, and waste management.

Focus on sustainability: KFIL's strategy is to focus on sustainability by reducing its carbon footprint and using renewable energy sources. The company plans to achieve this by setting up a 30 MW solar power plant and by using biomass-based fuel in its furnaces.

Innovation: KFIL's strategy is to continuously innovate and develop new products to meet the changing needs of its customers. The company has set up a research and development center to drive innovation and product development

OPERATION STRETAGY:

Lean manufacturing: KFIL's strategy is to adopt lean manufacturing principles to improve its manufacturing processes and increase operational efficiency. The company has implemented various process improvements such as Total Productive Maintenance (TPM), Just-In-Time (JIT) inventory management, and Kaizen to optimize its operations.

Quality management: KFIL's strategy is to maintain a high level of quality in its products and processes. The company has implemented a Quality Management System (QMS) and has obtained ISO 9001 certification for its manufacturing processes. KFIL also conducts regular quality audits to ensure adherence to quality standards.

Customer focus: KFIL's strategy is to focus on meeting the needs and expectations of its customers. The company has implemented a customer-centric approach to its operations and has set up a dedicated customer service team to handle customer queries and complaints. KFIL also conducts regular customer feedback surveys to identify areas for improvement.

Technology adoption: KFIL's strategy is to adopt new technologies to improve its operations and enhance its competitiveness. The company has invested in advanced manufacturing technologies such as Continuous Casting Machines (CCM) and Automated Material Handling Systems (AMHS) to improve efficiency and reduce wastage.

Supply chain management: KFIL's strategy is to manage its supply chain effectively to ensure timely delivery of raw materials and finished products. The company has implemented a robust supply chain management system to optimize its supply chain operations and reduce lead times.

7. SHARED VALUES:

If refers to the fundamental values that are widely shared in the organization and serve as important guiding principles. These values are significant because they focus attention and provide a wider sense of purpose. Values are the thing you would try to achieve even if they were clearly unprofitable. Values act as an organization's conscience, guiding it in times of crisis. It refers to the simple goal statements in determining corporate destiny to fit the concept, as per the value of the company “Let's make everyone's life, an enriched one” the company has implemented many techniques to see that these values are implemented

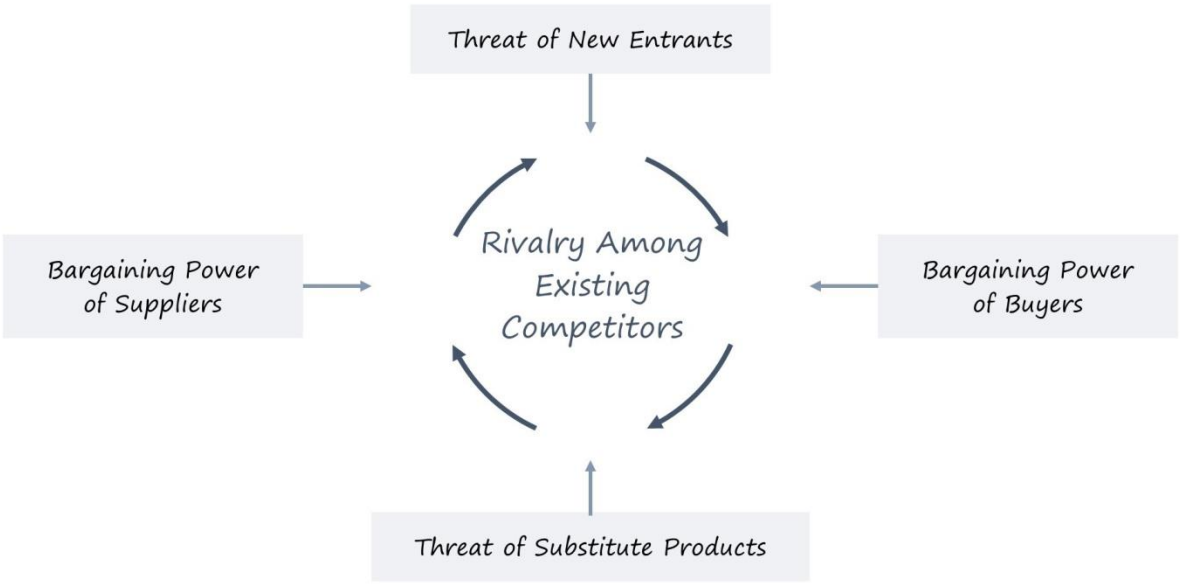
The company tries to satisfy everyone who is dependent directly or indirectly on it.

The company sponsored numerous schools and colleges as a result of the trust.

The corporation tries to satisfy employees, shareholders, customers, government, employee’s families and the community by their value

3.2 - PORTER'S 5 FORCE MODEL

Porter's Five Forces is a model that identifies and analyzes five competitive forces that shape every industry and helps determine an industry's weaknesses and strengths. The five forces analysis is often used to determine an industry's structure to determine the organization's strategy.



Porter's 5 forces are:

- Competition among the existing industry
- Threats of new entrants into the industry
- Bargaining Power of suppliers
- Bargaining Power of customers
- The threat of substitute products

- **THREATS OF NEW ENTRANTS**

  The steel industry requires a large amount of capital investment and has high entry barriers, which limits the threat of new entrants. Kirloskar Ferrous has been operating in the steel industry for several years, and it has established its brand image, distribution channels, and customer base, making it difficult for new entrants to compete

- **BARGAINING POWER OF SUPPLIERS**

  The steel industry depends on raw materials like iron ore and coal, and their prices can be volatile. Kirloskar Ferrous has multiple suppliers and contracts with them to ensure a steady supply of raw materials. However, if the prices of raw materials increase significantly, the bargaining power of suppliers could increase, affecting the company's profitability.

- **BARGAINING POWER OF BUYERS**

  The steel industry has a large number of buyers, including various industries like construction, automobile, and appliances. Kirloskar Ferrous has established long-term relationships with its customers and provides high-quality products, which reduces the bargaining power of buyers. However, buyers can shift to competitors if they offer better quality or lower prices

- **RIVALRY AMONG EXISTING COMPETITORS**

  The steel industry is highly competitive, and Kirloskar Ferrous faces stiff competition from both domestic and international players. The company differentiates itself by providing high-quality products, excellent customer service, and competitive pricing. However, the intense competition can impact the company's market share and profitability.

- **THREATS OFF SUBSTITUTES**

  There are various substitutes available for steel, including plastics, aluminum, and composites. However, steel has unique properties, including strength, durability, and versatility, which make it difficult to substitute. Kirloskar Ferrous offers a wide range of steel products that cater to different industries, making it difficult for substitutes to compete.

CHAPTER 4

SWOT ANALYSIS OF KIRLOSKAR FERROUS

SWOT analysis is the analysis where the strengths, weaknesses, opportunities and threats of the company, strength and weaknesses are internal to the company; they can be controlled by the company, whereas opportunities and threats are external to the company, which cannot be controlled by the company.

STRENGTHS:

- Strong brand reputation: KFIL has a strong brand reputation in the Indian iron and steel industry, which helps to attract customers and investors.
- Established market presence: KFIL has an established presence in the pig iron and ductile iron pipes market in India, which provides a competitive advantage.
- Diversified product portfolio: KFIL has a diversified product portfolio that includes pig iron, ductile iron pipes, and value-added steel products, which reduces its dependence on a single product.
- Strong distribution network: KFIL has a strong distribution network that helps to ensure timely delivery of products to customers.

WEAKNESSES:

- Dependence on raw materials: KFIL is dependent on iron ore and coking coal, which are subject to price volatility and supply chain disruptions.
- Limited geographical presence: KFIL's geographical presence is limited to India, which makes it vulnerable to changes in the Indian market.
- Dependence on a single market segment: KFIL's revenue is largely dependent on the pig iron and ductile iron pipes segment, which makes it vulnerable to changes in demand in this segment.

OPPORTUNITIES:

- Growth in the Indian steel industry: The Indian steel industry is expected to grow in the coming years, which presents an opportunity for KFIL to expand its market share.
- Diversification into new markets: KFIL can explore new markets and segments to reduce its dependence on the pig iron and ductile iron pipes segment.
- Growth in the infrastructure sector: The Indian government's focus on infrastructure development presents an opportunity for KFIL to increase its sales of ductile iron pipes.

THREATS:

- Competition from domestic and international players: KFIL faces competition from both domestic and international players, which can impact its market share and revenue.
- Price volatility of raw materials: The prices of raw materials such as iron ore and coking coal are subject to volatility, which can impact KFIL's profitability.
- Environmental regulations: The Indian government's increasing focus on environmental regulations can impact KFIL's operations and profitability.

Overall, KFIL has a strong brand reputation, an established market presence, and a diversified product portfolio, which are its key strengths. However, the company's dependence on raw materials, limited geographical presence, and dependence on a single market segment are its weaknesses

CHAPTER 5

ANALYSIS OF FINANCIAL STATEMENTS

The popular Technique used to examine financial statement are to work out ratio using the financial data. That is to measure up aligned with those different organizations or to the align with the organization personal past performance. As an example, "Return on Asset" is a frequently used to ratio to conclude the efficiency of the organization or how efficiently an organization using its assets as a gauge to its profitability. The Ratio is to be designed for a number of parallel organizations and used to as a division of bigger analysis.

The financial statement is that the method of understanding the chance and gain of companies through analysis of according to monetary data, Annual Reports, and Quarterly Reports. It is that the method was seeing record profit and loss account it'll simple to spot the strength and weakness of the firm

There are different techniques or methods that are utilized in analyzing the budget. like the comparative statement, common size proportion, Fund flow analysis, schedule of the amendments in assets and ratio analysis. Objective statement is to supply data concerning the financial positions, performance associate degree changes within the money positions of the enterprises that use to full to a big selection of user creating economic call concerning the corporate

The Balance sheet provides the overview of assets and liability and stock holders' equity. Profit or loss is the summary of the revenue, cost and expenses incurred during the period of the time. And balance sheet will helps use to calculations of various ratios its help to manage the company performance and it will help to management. And the important documents for the purpose of investment, Investors see the balance sheet before investing in the company its benefits to the investors to find out the financial positions

Profit and loss account discloses the information about indirect expenses. It helps to control the indirect expenses of the company.The Popular Technique

used too financial statement is to work out ratios using the financial data. That is used to measure up lined up with those of various organization or to line up with the organizational personal past execution. For Instance, Return On asset is an as often as possible utilized proportion to conclude the effectiveness of an organizations and how productively an organization utilized its assets as a measure to its gainfulness. The Ratios are to be designed for a number of parallel organizations used to as a division of a bigger analysis.

BALANCE SHEET OF **KIRLOSKAR FERROUS INDUSTRIES LTD**

BALANCE SHEET OF KIRLOSKAR FERROUS INDUSTRIES (in Rs. Cr.)	**Mar-22**	**Mar-21**	**Mar-20**	**Mar-19**	**Mar-18**
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	69.36	69.17	68.91	68.82	68.65
TOTAL SHARE CAPITAL	**69.36**	**69.17**	**68.91**	**68.82**	**68.65**
Reserves and Surplus	1,263.80	927.24	649.02	586.28	522.39
TOTAL RESERVES AND SURPLUS	**1,263.80**	**927.24**	**649.02**	**586.28**	**522.39**
TOTAL SHAREHOLDERS FUNDS	**1,336.19**	**999.24**	**721.91**	**658.11**	**592.48**
NON-CURRENT LIABILITIES					
Long Term Borrowings	446.98	128.83	157.73	41	0
Deferred Tax Liabilities [Net]	97.74	88.44	114.28	94.05	82.63
Other Long-Term Liabilities	0	0	0	0	0
Long Term Provisions	3.22	3.55	2.85	2.46	1.66
TOTAL NON-CURRENT LIABILITIES	**547.94**	**220.82**	**274.86**	**137.51**	**84.29**

CURRENT LIABILITIES					
Short Term Borrowings	686.09	85	83	73.88	72.39
Trade Payables	859.86	369.25	375.59	435.23	357.75
Other Current Liabilities	96.53	249.56	156.51	79.08	85.82
Short Term Provisions	8.87	8.57	7.32	6.14	5.48
TOTAL CURRENT LIABILITIES	**1,651.35**	**712.38**	**622.42**	**594.33**	**521.44**
TOTAL CAPITAL AND LIABILITIES	**3,535.48**	**1,932.57**	**1,619.26**	**1,389.95**	**1,198.21**
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	1,158.72	1,010.31	852.01	604.27	556.8
Intangible Assets	1.63	1.51	2.1	0	3.97
Capital Work-In-Progress	199.13	149.08	137.69	62.15	73.32
Other Assets	0	0	0	0	0
FIXED ASSETS	**1,379.23**	**1,174.04**	**997.86**	**669.76**	**634.09**
Non-Current Investments	489.13	0.55	0.5	0.01	0.01
Deferred Tax Assets [Net]	0	0	0	0	0
Long Term Loans And Advances	0.2	10.5	10.78	8.68	8.79
Other Non-Current Assets	112.74	24.73	11.02	50.41	7.06
TOTAL NON-CURRENT ASSETS	**1,981.30**	**1,209.82**	**1,020.16**	**728.86**	**649.95**
CURRENT ASSETS					
Current Investments	0	0	0	0	0
Inventories	550.42	284.38	236.44	246.27	217.19
Trade Receivables	476.69	360.72	292.59	380.22	290.93
Cash And Cash Equivalents	269.09	16.03	11.04	4.55	5.19
Short Term Loans And Advances	195.04	1.01	0.69	0.86	0.27

Other Current Assets	62.94	60.61	58.34	29.19	34.68
TOTAL CURRENT ASSETS	**1,554.18**	**722.75**	**599.1**	**661.09**	**548.26**
TOTAL ASSETS	**3,535.48**	**1,932.57**	**1,619.26**	**1,389.95**	**1,198.21**
OTHER ADDITIONAL INFORMATION					
CONTINGENT LIABILITIES, COMMITMENTS					
Contingent Liabilities	43.07	181.75	90.72	304.01	145.69
CIF VALUE OF IMPORTS					
Raw Materials	980.03	316.76	436.79	469.96	405.26
Stores, Spares And Loose Tools	0	0	0	0	0
Trade/Other Goods	0	0	0	0	0
Capital Goods	70.17	25.38	90.53	7.79	8.57
EXPENDITURE IN FOREIGN EXCHANGE					
Expenditure In Foreign Currency	1.91	3.39	14.21	11.13	2.88
REMITTANCES IN FOREIGN CURRENCIES FOR DIVIDENDS					
Dividend Remittance in Foreign Currency	--	--	--	--	--
EARNINGS IN FOREIGN EXCHANGE					
FOB Value of Goods	--	--	--	2.92	--
Other Earnings	--	--	--	--	--
BONUS DETAILS					
Bonus Equity Share Capital	--	--	--	--	--
NON-CURRENT INVESTMENTS					
Non-Current Investments Quoted Market Value	--	--	--	--	--

Non-Current Investments Unquoted Book Value	489.13	0.55	0.5	0.01	0.01

PROFIT AND LOSS ACCOUNT OF **KIRLOSKAR FERROUS LTD**

Profit & Loss account	---------- in Rs. Cr. ----------				
	Mar '22	**Mar '21**	**Mar '20**	**Mar '19**	**Mar '18**
Income					
Sales Turnover	3,614.97	2,038.08	1,849.66	2,159.15	1,723.87
Net Sales	3,614.97	2,038.08	1,849.66	2,159.15	1,723.87
Other Income	11.8	1.97	14.39	5.8	4.55
Stock Adjustments	29.71	-3.45	-1.67	8.59	-0.26
Total Income	**3,656.48**	**2,036.60**	**1,862.38**	**2,173.54**	**1,728.16**
Expenditure					
Raw Materials	2,481.14	1,220.55	1,274.09	1,551.32	1,303.57
Power & Fuel Cost	98.93	81.11	109.32	147.01	135.7
Employee Cost	133.39	106.62	96.4	93.74	80.66
Other Manufacturing Expenses	96.8	62.25	50.66	62.98	45.81
Selling and Admin Expenses	0.38	0.16	1.22	0.56	0.16
Miscellaneous Expenses	186.92	102.44	100.99	100.28	47.95
Total Expenses	2,997.56	1,573.13	1,632.68	1,955.89	1,613.85
	Mar '22	**Mar '21**	**Mar '20**	**Mar '19**	**Mar '18**
Operating Profit	**647.12**	**461.5**	**215.31**	**211.85**	**109.76**
PBDIT	658.92	463.47	229.7	217.65	114.31
Interest	27.86	25.16	17.26	16.47	10.97
PBDT	631.06	438.31	212.44	201.18	103.34
Depreciation	87.86	75.98	57.51	54.2	49.53
Profit Before Tax	543.2	362.33	154.93	146.98	53.81
PBT (Post Extra-ord Items)	543.2	362.33	154.93	146.98	53.81

Tax	136.59	61.08	43.81	48.6	16.42
Reported Net Profit	**406.1**	**302.11**	**112.37**	**98.11**	**38**
Total Value Addition	516.42	352.58	358.59	404.57	310.28
Equity Dividend	76.2	27.67	41.33	30.94	24.03
Corporate Dividend Tax	0	0	8.5	6.36	4.89
Per share data (annualised)					
Shares in issue (lakhs)	1,387.17	1,383.49	1,378.22	1,376.49	1,373.08
Earning Per Share (Rs)	**29.28**	**21.84**	**8.15**	**7.13**	**2.77**
Equity Dividend (%)	110	100	40	40	25
Book Value (Rs)	96.11	72.02	52.09	47.59	43.04

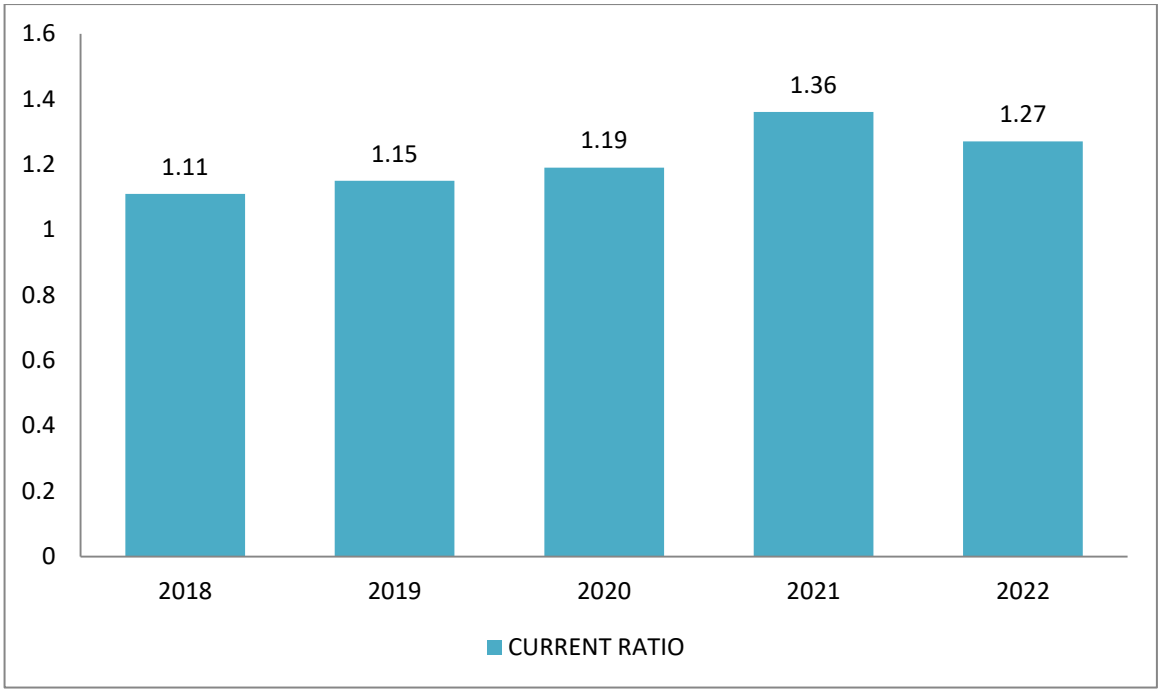
Ratio Analysis: -

Ratio Analysis is a tactic of inspection and translation of fiscal summaries. It is the way towards structure up and rendering different proportion fora aiding in settling on exact choosing. Proportion examination is to introduce the figure of fiscal report in basic and impalpable structure. Proportion examination, along these lines, is the way towards setting up significant connection between two figures and set of financial summaries.

SHORT TERM SOLVENCEY RATIO

1. CURRENT RATIO
   - Current Ratio = Current Assets / Current Liabilities

Year	2018	2019	2020	2021	2022
	1.11	1.15	1.19	1.36	1.27

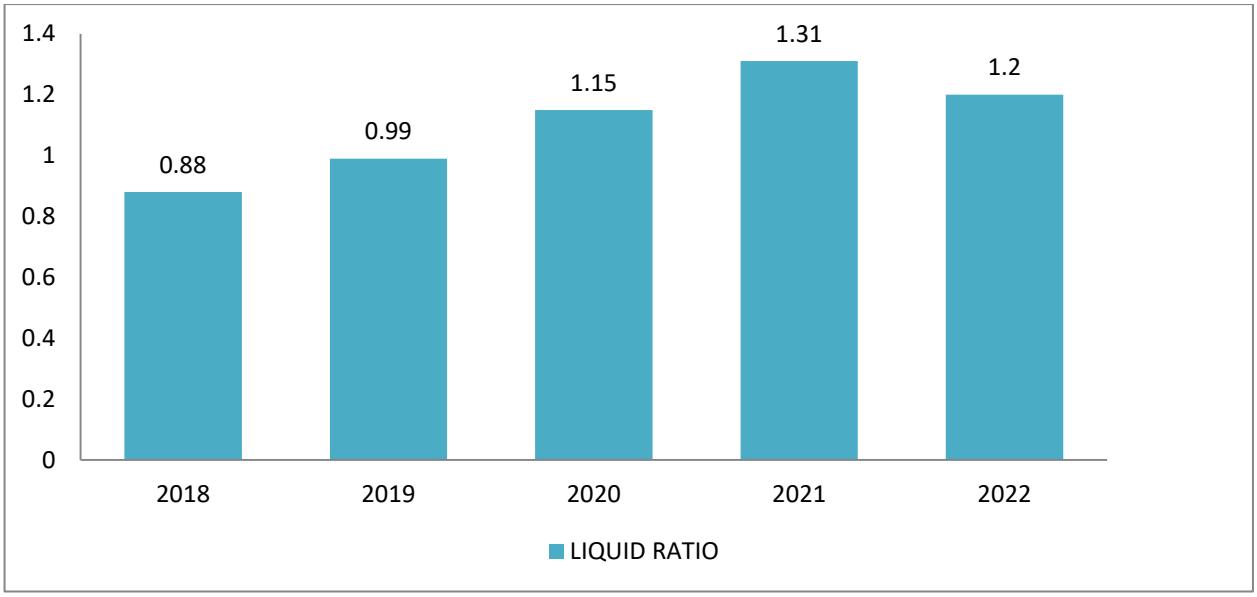


Interpretation

The current ratio, which measures a company's ability to meet its short-term obligations with its current assets, has been gradually increasing from 1.11 in 2018 to 1.36 in 2021, but slightly decreased to 1.27 in 2022. This suggests that the company's short-term liquidity position has improved over the years and has remained reasonably stable, with a minor decline in 2022.

- LIQUID RATIO = (CURRENT ASSETS - INVENTORY) / CURRENT LIABILITIES

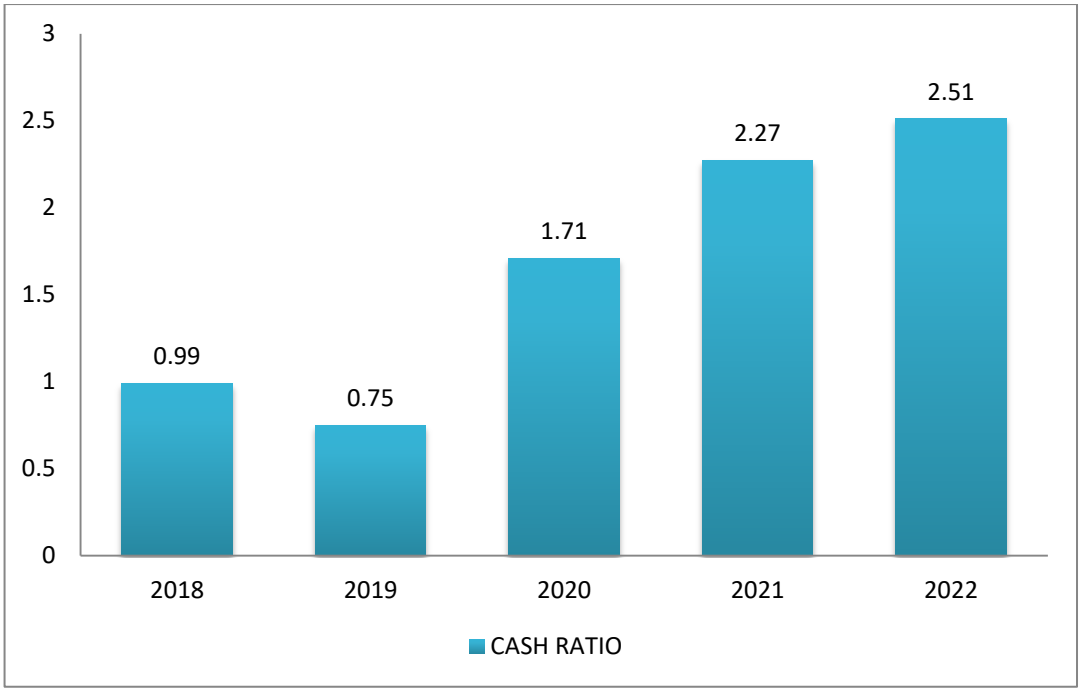
Year	2018	2019	2020	2021	2022
	0.88	0.99	1.15	1.31	1.20



The liquid ratio, which is a more stringent measure of a company's ability to meet its short-term obligations using its most liquid assets, shows an upward trend from 0.88 in 2018 to 1.31 in 2021, but slightly decreased to 1.20 in 2022. This indicates that the company's ability to meet its short-term obligations using only its most liquid assets has improved, although the trend slowed down in 2022.

- CASH RATIO = CASH RATIO = (CASH AND CASH EQUIVALENTS) / CURRENT LIABILITIES

Year	2018	2019	2020	2021	2022
	.99	.75	1.71	2.27	2.51



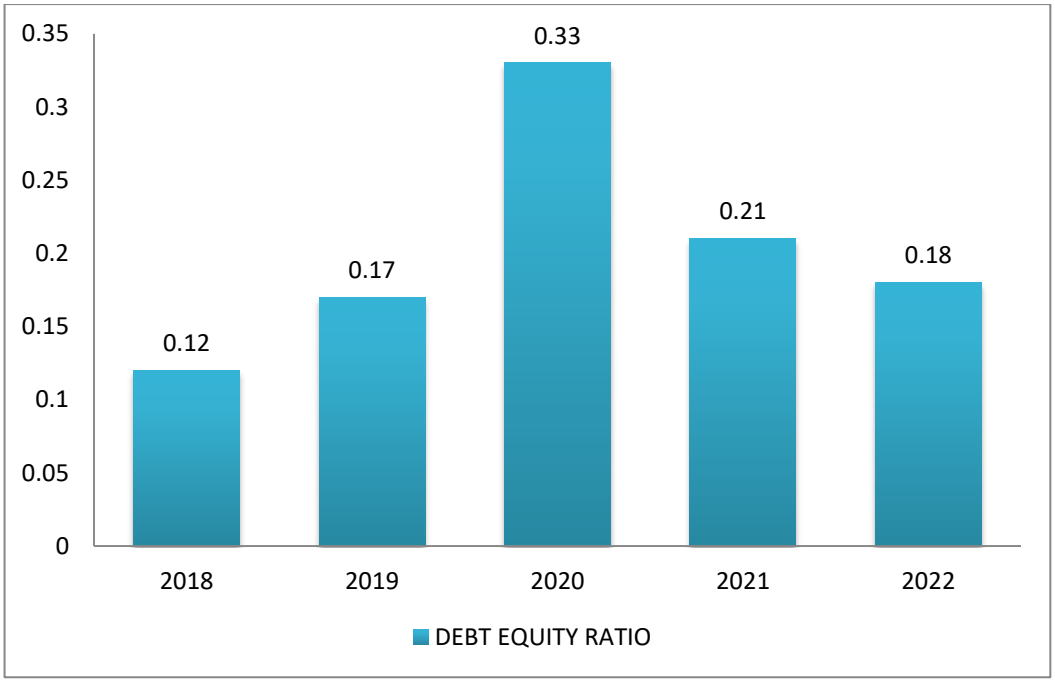
The cash ratio, which measures a company's ability to meet its short-term obligations using only cash and cash equivalents, indicates a significant improvement from 0.99 in 2018 to 2.27 in 2021, with a further increase to 2.51 in 2022. This suggests that the company has been able to increase its cash reserves significantly, which has improved its short-term solvency position and reduced its dependence on other current assets.

Overall, the company's short-term solvency position appears to have improved over the years, with a slight decline in 2022. The company seems to have increased its cash reserves, which has helped it meet its short-term obligations more effectively.

LONG TERM SOLVENCEY RATIO

- **DEBT EQUITY RATIO** = TOTAL DEBT / SHAREHOLDERS' EQUITY

YEAR	2018	2019	2020	2021	2022
DEBT EQUITY RATIO	0.12	0.17	0.33	0.21	0.18

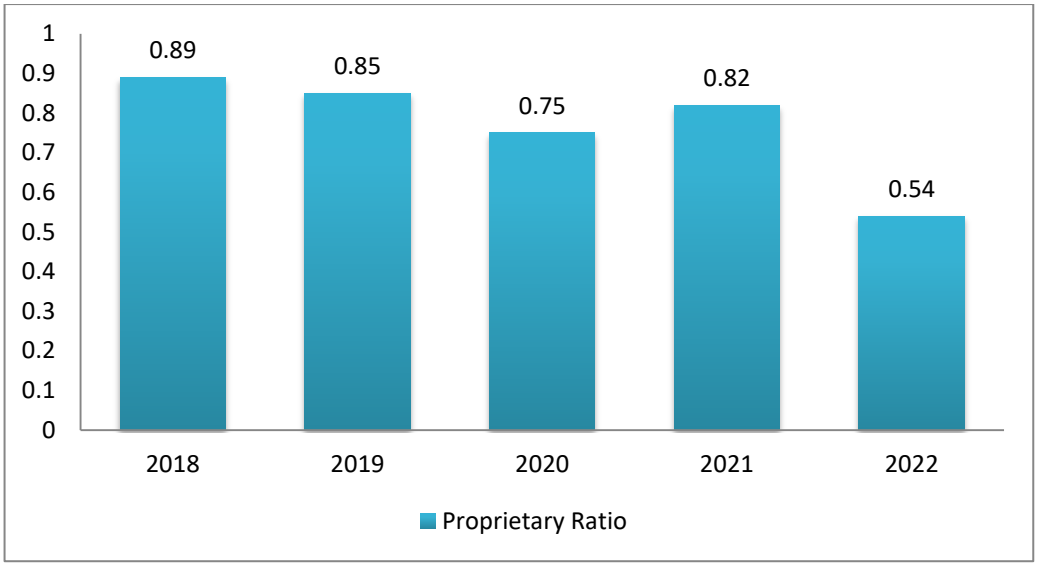


Interpretation

Debt Equity Ratio: This ratio measures the proportion of debt and equity financing used by a company. A lower ratio indicates that the company is less reliant on debt financing and has a more stable financial structure. The data shows that the Debt Equity Ratios for the five periods range from 0.12 to 0.33, indicating that the company's debt levels have increased over time.

- PROPRIETARY RATIO = SHAREHOLDERS' EQUITY / TOTAL ASSETS

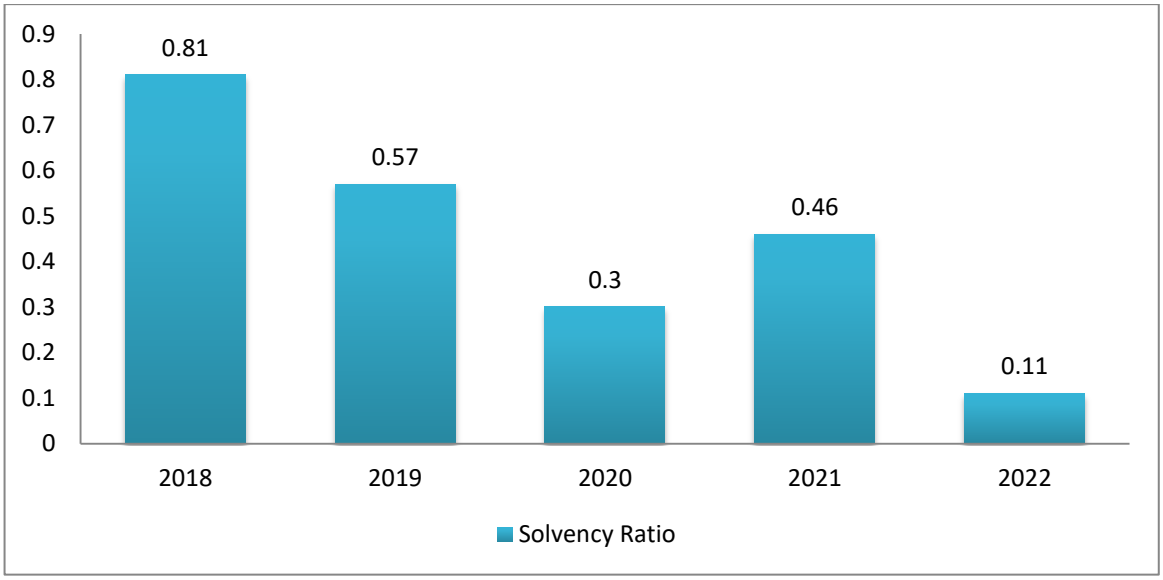
YEAR	2018	2019	2020	2021	2022
PROPRIETARY RATIO	0.89	0.85	0.75	0.82	0.54



Proprietary Ratio: This ratio measures the proportion of shareholder funds to total assets. A higher proprietary ratio indicates that the company has a larger stakeholder equity position, which suggests greater financial stability. The data shows that the Proprietary Ratios for the five periods range from 0.54 to 0.89, which suggests that the company has a strong equity position, with the highest ratio in the first period.

- **SOLVENCY RATIO** = (NET INCOME + DEPRECIATION) / (LONG-TERM LIABILITIES + SHAREHOLDERS' EQUITY)

YEAR	2018	2019	2020	2021	2022
SOLVENCY RATIO	0.81	0.57	0.30	0.46	0.11

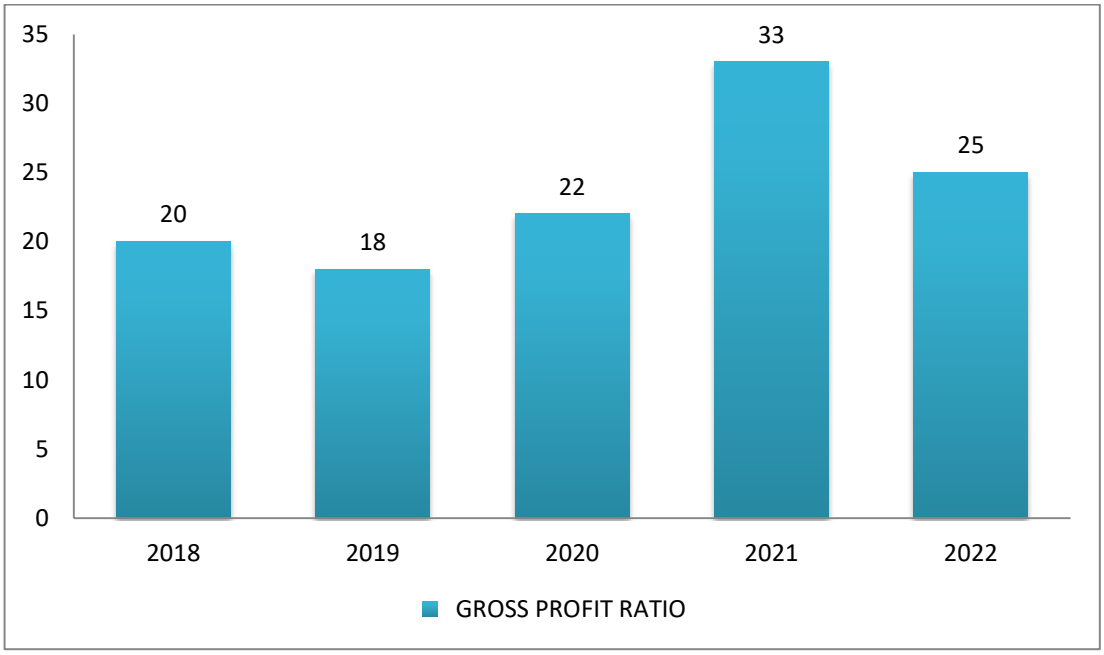


Solvency Ratio: This ratio measures a company's ability to meet its long-term debt obligations. A higher solvency ratio indicates that the company has a better capacity to pay off its debt. The data shows that the Solvency Ratios for the five periods range from 0.11 to 0.81, which suggests that the company's solvency has declined over time.

PROFITABILITY RATIO

- **GROSS PROFIT RATIO** = (GROSS PROFIT / NET SALES) X 100

YEAR	2018	2019	2020	2021	2022
GROSS PROFIT RATIO	20	18	22	33	25

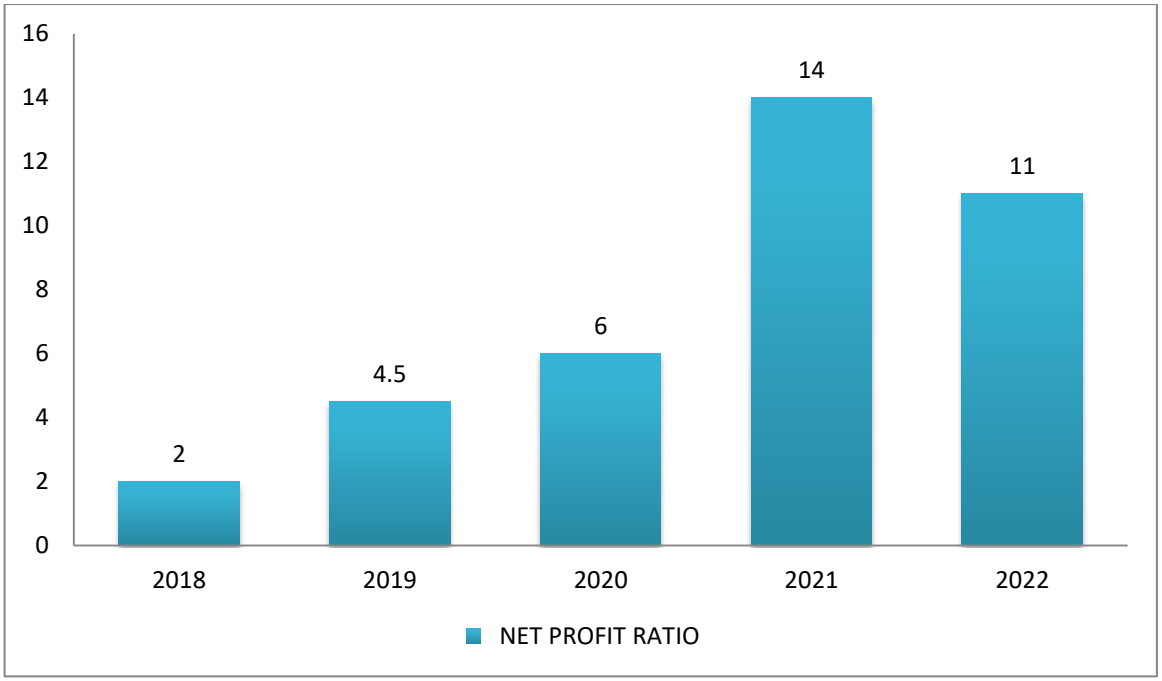


Interpretation

The trend in the data indicates that the company's gross profit has varied over the years. In 2018, the gross profit ratio was 20%, which increased to 22% in 2020. However, the ratio decreased to 18% in 2019 before significantly increasing to 33% in 2021. In the last year, 2022, the ratio decreased to 25%

- **NET PROFIT RATIO** = (NET PROFIT / TOTAL REVENUE) X 100

YEAR	2018	2019	2020	2021	2022
NET PROFIT RATIO	2	4.5	6	14	11

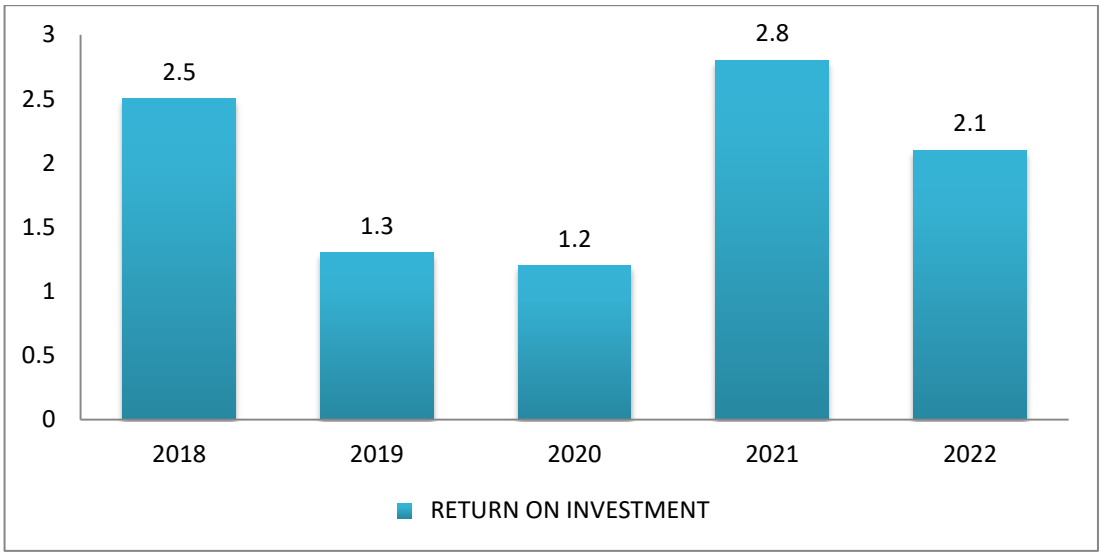


Interpretation

In 2018, the Net Profit Ratio was 2%, which means that the company earned a net profit of 2 paise for every rupee of sales revenue generated. By 2022, the Net Profit Ratio had increased to 11%, which means that the company earned a net profit of 11 paise for every rupee of sales revenue generated.

- RETURN ON INVESTMENT (NET PROFIT / TOTAL INVESTMENT) X 100

YEAR	2018	2019	2020	2021	2022
RETURN ON INVESTMENT	2.5	1.3	1.2	2.8	2.1



Interpretation

In this case, the ROI for the company has varied from year to year, with the highest ROI of 2.8% in 2021 and the lowest ROI of 1.2% in 2020. Overall, the ROI values seem to be moderate, which may indicate that the company's investments are generating moderate returns

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CHAPTER 6

LEARNING EXPERIENCE

After conducting an in-depth study of India's most admired company for 4 weeks, I found that the company has much strength and opportunities that it may capitalize on to truly become a world leader in steel making along with setting standards for corporate citizenship and social responsibility towards a long-term sustainable growth.

The Organization Study at Kirloskar ferrous industry ltd has given me valuable knowledge about the company as well as the steel industry related to their business, operations, ownership patterns etc.

During this one-month period I have come across many new things and learned many things which might be helpful and useful for my career.

A study of the overall practice of Kirloskar ferrous helped me understand the culture, vision, mission and nature of products and services.

The internship enhanced my skill and ability to work in a team. KFIL allowed me to work with people who are the professional of my chosen career.

This internship was loyal to me because I learned a lot of management skills

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ANNEXURE

ANALYSIS OF FINANCIAL STATEMENT

Financial statement of the firm that is Balance sheet and profit and loss account are explained in this chapter.

BALANCE SHEET

A balance sheet is a financial statement that reports a company's assets, liabilities and shareholder' s equity at a specific point in time and provides a basis for computing rates of return and evaluating its capital structure. It is a financial statement that provides a snapshot of what a company owns and owes, as well as the amount invested by shareholders.

BALANCE SHEET OF KIRLOSKAR FERROUS INDUSTRIES (in Rs. Cr.)	**Mar-22**	**Mar-21**	**Mar-20**	**Mar-19**	**Mar-18**
EQUITIES AND LIABILITIES					
SHAREHOLDER'S FUNDS					
Equity Share Capital	69.36	69.17	68.91	68.82	68.65
TOTAL SHARE CAPITAL	**69.36**	**69.17**	**68.91**	**68.82**	**68.65**
Reserves and Surplus	1,263.80	927.24	649.02	586.28	522.39
TOTAL RESERVES AND SURPLUS	**1,263.80**	**927.24**	**649.02**	**586.28**	**522.39**
TOTAL SHAREHOLDERS FUNDS	**1,336.19**	**999.24**	**721.91**	**658.11**	**592.48**
NON-CURRENT LIABILITIES					
Long Term Borrowings	446.98	128.83	157.73	41	0
Deferred Tax Liabilities [Net]	97.74	88.44	114.28	94.05	82.63
Other Long-Term Liabilities	0	0	0	0	0
Long Term Provisions	3.22	3.55	2.85	2.46	1.66

TOTAL NON-CURRENT LIABILITIES	**547.94**	**220.82**	**274.86**	**137.51**	**84.29**
CURRENT LIABILITIES					
Short Term Borrowings	686.09	85	83	73.88	72.39
Trade Payables	859.86	369.25	375.59	435.23	357.75
Other Current Liabilities	96.53	249.56	156.51	79.08	85.82
Short Term Provisions	8.87	8.57	7.32	6.14	5.48
TOTAL CURRENT LIABILITIES	**1,651.35**	**712.38**	**622.42**	**594.33**	**521.44**
TOTAL CAPITAL AND LIABILITIES	**3,535.48**	**1,932.57**	**1,619.26**	**1,389.95**	**1,198.21**
ASSETS					
NON-CURRENT ASSETS					
Tangible Assets	1,158.72	1,010.31	852.01	604.27	556.8
Intangible Assets	1.63	1.51	2.1	0	3.97
Capital Work-In-Progress	199.13	149.08	137.69	62.15	73.32
Other Assets	0	0	0	0	0
FIXED ASSETS	**1,379.23**	**1,174.04**	**997.86**	**669.76**	**634.09**
Non-Current Investments	489.13	0.55	0.5	0.01	0.01
Deferred Tax Assets [Net]	0	0	0	0	0
Long Term Loans And Advances	0.2	10.5	10.78	8.68	8.79
Other Non-Current Assets	112.74	24.73	11.02	50.41	7.06
TOTAL NON-CURRENT ASSETS	**1,981.30**	**1,209.82**	**1,020.16**	**728.86**	**649.95**
CURRENT ASSETS					
Current Investments	0	0	0	0	0
Inventories	550.42	284.38	236.44	246.27	217.19
Trade Receivables	476.69	360.72	292.59	380.22	290.93

Cash And Cash Equivalents	269.09	16.03	11.04	4.55	5.19
Short Term Loans And Advances	195.04	1.01	0.69	0.86	0.27
Other Current Assets	62.94	60.61	58.34	29.19	34.68
TOTAL CURRENT ASSETS	**1,554.18**	**722.75**	**599.1**	**661.09**	**548.26**
TOTAL ASSETS	**3,535.48**	**1,932.57**	**1,619.26**	**1,389.95**	**1,198.21**
OTHER ADDITIONAL INFORMATION					
CONTINGENT LIABILITIES, COMMITMENTS					
Contingent Liabilities	43.07	181.75	90.72	304.01	145.69
CIF VALUE OF IMPORTS					
Raw Materials	980.03	316.76	436.79	469.96	405.26
Stores, Spares And Loose Tools	0	0	0	0	0
Trade/Other Goods	0	0	0	0	0
Capital Goods	70.17	25.38	90.53	7.79	8.57
EXPENDITURE IN FOREIGN EXCHANGE					
Expenditure In Foreign Currency	1.91	3.39	14.21	11.13	2.88
REMITTANCES IN FOREIGN CURRENCIES FOR DIVIDENDS					
Dividend Remittance in Foreign Currency	--	--	--	--	--
EARNINGS IN FOREIGN EXCHANGE					
FOB Value of Goods	--	--	--	2.92	--
Other Earnings	--	--	--	--	--
BONUS DETAILS					
Bonus Equity Share Capital	--	--	--	--	--
NON-CURRENT INVESTMENTS					

Non-Current Investments Quoted Market Value	--	--	--	--	--
Non-Current Investments Unquoted Book Value	489.13	0.55	0.5	0.01	0.01

INTEREPATATION

The equity and liabilities section of the balance sheet shows the sources of the company's funds. The shareholder's funds include equity share capital and reserves and surplus. The total shareholder's fund has increased consistently over the years, indicating that the company has been successful in generating profits and retaining earnings.

The non-current liabilities of the company include long-term borrowings, deferred tax liabilities, and long-term provisions. The long-term borrowings have increased substantially over the years, which might indicate that the company is investing in long-term projects that require a significant amount of capital.

The current liabilities of the company include short-term borrowings, trade payables, other current liabilities, and short-term provisions. The trade payables have increased over the years, which could indicate that the company has been buying more goods and services on credit.

Assets:

The assets section of the balance sheet shows how the company has invested its funds. The non-current assets include tangible assets, intangible assets, and non-current investments. The fixed assets of the company have increased over the years, which could indicate that the company has been investing in property, plant, and equipment to increase its production capacity.

The current assets of the company include inventories, trade receivables, cash and cash equivalents, short-term loans, and other current assets. The inventories have increased over the years, which could indicate that the company has been stocking up on raw materials to meet the demand for its products

Overall, the balance sheet of Kirloskar Ferrous Industries shows that the company has been consistently generating profits, retaining earnings, and investing in its business to increase its production capacity. However, the increasing long-term borrowings and trade payables indicate that the company might be relying more on debt to finance its operations

PROFIT AND LOSS ACCOUNT

Profit & Loss account	**---------- in Rs. Cr. ---------- --------**				
	Mar '22	**Mar '21**	**Mar '20**	**Mar '19**	**Mar '18**
Income					
Sales Turnover	3,614.97	2,038.08	1,849.66	2,159.15	1,723.87
Net Sales	3,614.97	2,038.08	1,849.66	2,159.15	1,723.87
Other Income	11.8	1.97	14.39	5.8	4.55
Stock Adjustments	29.71	-3.45	-1.67	8.59	-0.26
Total Income	**3,656.48**	**2,036.60**	**1,862.38**	**2,173.54**	**1,728.16**
Expenditure					
Raw Materials	2,481.14	1,220.55	1,274.09	1,551.32	1,303.57
Power & Fuel Cost	98.93	81.11	109.32	147.01	135.7
Employee Cost	133.39	106.62	96.4	93.74	80.66
Other Manufacturing Expenses	96.8	62.25	50.66	62.98	45.81
Selling and Admin Expenses	0.38	0.16	1.22	0.56	0.16
Miscellaneous Expenses	186.92	102.44	100.99	100.28	47.95
Total Expenses	2,997.56	1,573.13	1,632.68	1,955.89	1,613.85
	Mar '22	**Mar '21**	**Mar '20**	**Mar '19**	**Mar '18**
Operating Profit	**647.12**	**461.5**	**215.31**	**211.85**	**109.76**
PBDIT	658.92	463.47	229.7	217.65	114.31
Interest	27.86	25.16	17.26	16.47	10.97
PBDT	631.06	438.31	212.44	201.18	103.34
Depreciation	87.86	75.98	57.51	54.2	49.53
Profit Before Tax	543.2	362.33	154.93	146.98	53.81
PBT (Post Extra-ord Items)	543.2	362.33	154.93	146.98	53.81
Tax	136.59	61.08	43.81	48.6	16.42
Reported Net Profit	**406.1**	**302.11**	**112.37**	**98.11**	**38**
Total Value Addition	516.42	352.58	358.59	404.57	310.28

Equity Dividend	76.2	27.67	41.33	30.94	24.03
Corporate Dividend Tax	0	0	8.5	6.36	4.89
Per share data (annualised)					
Shares in issue (lakhs)	1,387.17	1,383.49	1,378.22	1,376.49	1,373.08
Earning Per Share (Rs)	**29.28**	**21.84**	**8.15**	**7.13**	**2.77**
Equity Dividend (%)	110	100	40	40	25
Book Value (Rs)	96.11	72.02	52.09	47.59	43.04

INTREPRETATION

The income of the company has increased steadily over the years, with the highest income in the latest fiscal year (Mar '22) being Rs. 3,656.48 Cr. This increase is primarily due to an increase in sales turnover, which has also steadily increased over the years. Other income and stock adjustments also contributed to the total income of the company.

The expenditure of the company has also increased over the years, primarily due to an increase in the cost of raw materials, which is the largest expense for the company. Other expenses, such as power and fuel cost, employee cost, and miscellaneous expenses, have also increased over the years. However, selling and admin expenses have remained relatively constant.

The operating profit and PBDIT (Profit Before Depreciation, Interest, and Tax) have increased over the years, with the highest in Mar '22 being Rs. 647.12 Cr and Rs. 658.92 Cr, respectively. This increase is primarily due to the increase in sales turnover and efficient management of expenses.
The interest paid by the company has increased over the years, indicating an increase in the debt taken by the company. The depreciation expense has also increased over the years, indicating an increase in the asset base of the company.

The reported net profit of the company has increased over the years, with the highest in Mar '22 being Rs. 406.1 Cr. This increase is primarily due to the increase in operating profit and efficient tax management. The company has also been paying dividends to its shareholders over the years, with the equity dividend increasing from 25% in Mar '18 to 110% in Mar '22.

The earnings per share have increased over the years, indicating an increase in profitability per share. The book value per share has also increased over the years, indicating an increase in the net worth of the company

Overall, the company has shown consistent growth in sales, profit, and earnings per share over the years, but its expenses have also been on the rise. The company's dividend payout has also been increasing, indicating a healthy financial position.