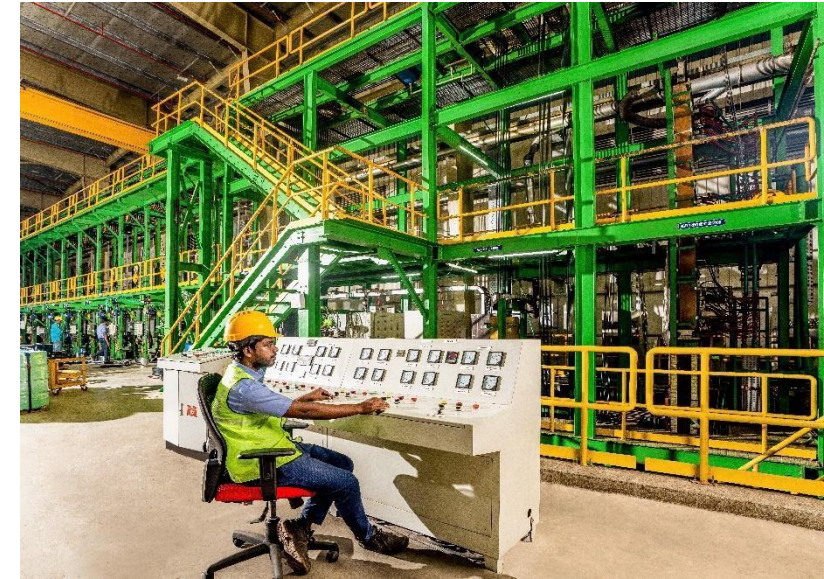




Krishca Strapping Solutions Limited

FY23 Investor Presentation



Company Overview





100+
Customers



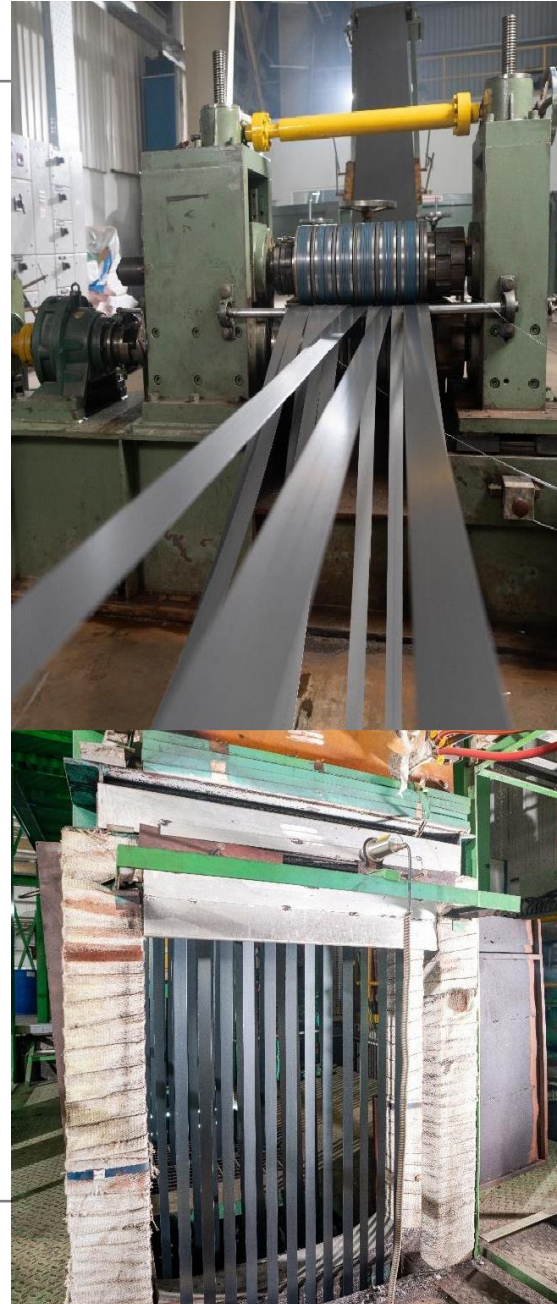
50+
Employees



FY23
Revenue - ₹ 72.30 Cr
EBITDA - ₹ 13.87 Cr
PAT - ₹ 9.34 Cr



FY23
ROE - 85%
ROCE - 83%



Krishca Strapping Solutions Limited (Krishca, The Company) is a dynamic startup that was established in December 2017 and is based in Chennai, Tamil Nadu. The company is a leading manufacturer and wholesaler of **High Tensile Steel Straps, Strapping Seals, and Strapping Tools.**

Krishca began commercial production in March 2020, utilizing advanced technology in its plant. **The company is proud to be India's first "Lead-Free" and eco-friendly production line for the heat treatment of steel strapping.** Moreover, Krishca is the first major steel strap manufacturing unit in Tamil Nadu.

Krishca's technology provides the company with a competitive advantage over its rivals, as it has a lower cost of production than the industry standard by reducing the rate of scrap generation, making the production process more energy-efficient, and reducing environmental impact.

Krishca has an integrated Steel Strapping manufacturing facility in Chennai, with a **production capacity of 18,000 MT of Steel Straps and 80 MN Strapping Seals per annum.** The facility is equipped with state-of-the-art machinery and operated by highly skilled personnel, ensuring that Krishca delivers quality products to its customers consistently.



State Of The Art
Production Line



First Quality Raw Material
Finest Quality Strap



Extraordinary COnsistency
Exceptional Steel



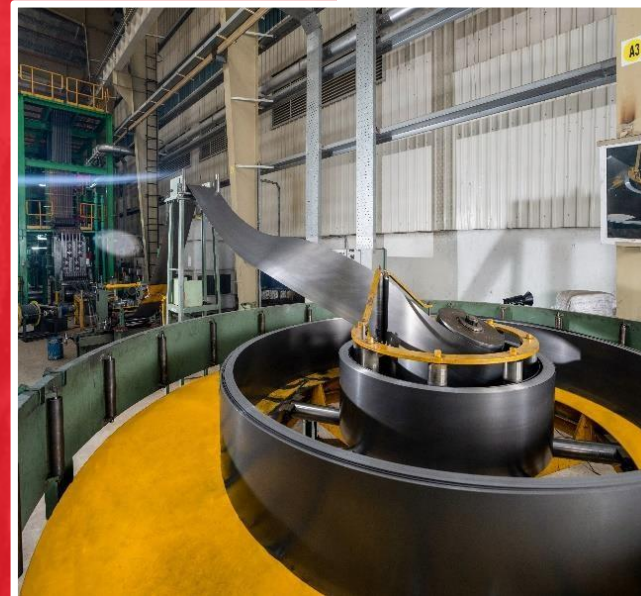
Remarkable
Surface Finish



In Depth Testing
And Tracking



Custom Branding



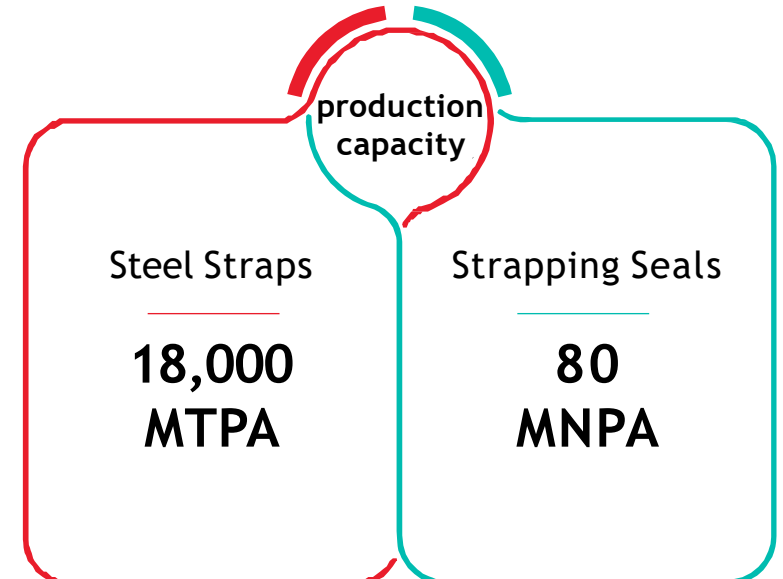


India's first "Lead-Free" and eco-friendly production line for the heat treatment of steel strapping.



Supported by Advanced Technology

Raw Material Availability	Proximity To Chennai Port
Proximity To Slitting Units	PLC Controlled automatic production line
Super Jumbo coils upto 500 Kgs	Pollution free production process - Lead free
Automated heat treatment process - Uniform grain structure	





AJ STEEL



FROMM | PACKAGING SYSTEMS



Jindal Aluminium



posco





IS 5872:1990 - Cold rolled steel straps (box strappings) specification



ASTM D-3953 - Standard Specification for Strapping, Flat Steel and Seals



BS EN 13246:2001 - Packaging. Specification for tensional steel strapping

Every step of the manufacturing process is controlled and assessed to ensure that every inch of the Strap is of the highest quality.

Our Steel strap quality parameters are in line with the American, European and Indian standards.

1

Raw Material

The most important factor in producing quality steel strapping is choosing the right raw material.

At Krishca, we use first grade raw materials from primary steel mill only.

Each raw material coil is tested and taken for production after the passing our quality checks.

2

State Of The Art Laboratories

Our Testing Laboratories are equipped with the latest and most advanced equipment including a Digital Universal Testing Machine, Digital paint micro thickness meter, Hardness tester, Bend & curl tester and salt spray tester.

These are manned by an experienced team of qualified professionals to ensure that quality control processes are standardized across shifts.

3

Continuous Sampling & Checks

Our quality control process mandates periodic sampling at every stage of the production process.

Samples are taken at regular intervals

4

Batch Wise Stock Keeping & Traceability

Our system of batch wise charging and stocking of raw material and finished goods coupled with a traceability system enables us to detail and trace the physical and chemical composition of every lot with the heat cycle.

Such comprehensive systems have enabled us to be certified for our quality management systems as per ISO 9001:2015 standards.

Uncompromising Quality - From Raw Material To Finished Product

Management Overview





Mr. Lenin Krishnamoorthy Balamanikandan
Promoter, Managing Director & Chairman

- Balamanikandan is the visionary Founder of Krishca Strapping Solutions Limited,
- He holds a Bachelor's degree in Engineering in Electronics and Communication from Anna University. He has also obtained a Master of Science degree in Information Security from the University of London, UK, where he specialized in advanced cyber security, corporate security, and privacy practices.
- With over three years of experience as a cyber-security consultant in the UK, Mr. Balamanikandan has honed his skills by managing multiple cyber security compliance projects for prominent companies like Visa and Samsung. His expertise and knowledge in this field have proven to be an invaluable asset for the success of Krishca Strapping Solutions.
- He has performed extensive market research on steel strapping for nearly a year between 2017-2018, which laid the foundation for setting up Krishca Strapping Solutions. As the Founder, he has played a pivotal role in the growth and development of the Company, making it a leading provider of innovative steel strapping solutions.



**Lenin Krishnamoorthy
Balamaniandan**

Managing Director & Chairman



Mr. Terli Venkata Shivaji

Whole Time Director



**Mrs. Navaneethakrishnan
Saraladevi**

Whole Time Director & CFO



Mr. Achaya Kumarasamy

Non- Executive Director



**Mr. Vengarai Sowrirajan
Seshadri**

Independent Director



Mr. Tom Antony

Independent Director



Mr. Rajinikanth

Independent Director

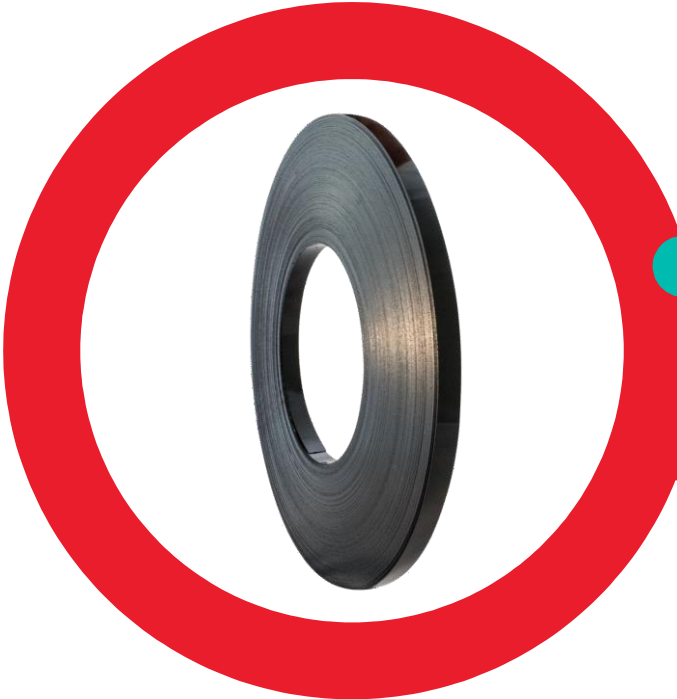


Ms. Diya Venkatesan

Company Secretary

Business Overview





Steel Straps



Strapping Seals



Strapping Tools

- Krishca's steel straps undergo a state-of-the-art heat treatment process for exceptional physical and geometrical properties, with a distinctive blue-shimmering oxide layer for corrosion resistance.
- Available in Prime, Super Prime, and Ultra Prime grades.

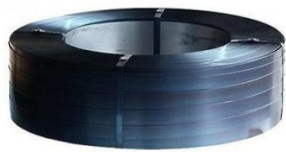
Winding Types



Ribbon Winding



Mill Winding



Super Jumbo Coil

Product Finish



Blued Tempered
& Waxed



Painted &
Waxed



Zinc Coated &
Waxed



Krishca's seals are made from high-quality CR sheets using advanced machinery, with a dedicated team of experienced engineers and technical experts committed to delivering innovative, reliable seals and excellent customer service.



1 Snap-On Seals

Snap-On Seals are placed the overlapping straps ends during or after the strap is tensioned. This type does not require any prethreading. These seals generally reduce application time.

2 Push-Type

Push-Type seals are used in applications in which the straps is tensioned by butting the nose of the tensioner against the seal.

3 Thread-On

Thread-On Seals must be threaded the overlapping straps ends before the tensioning tool is applied. Generally thread-on seals are used on bales, bundles and the larger straps sizes.

4 Nestack Seals

Nestack seals are held together by interlocking nibs. This type of seal permits loading partial stacks into magazines of seal feed.

5 Open-Flange Seals

Open-Flange Seals are the heavy-duty version of the snap-on seal. Open-flange seals do not require any pre-threading.

6 Open Type

Open Type Fast and easy to use, open seals can be placed over the straps before or after tensioning.

- Krishca partners with top manufacturers to provide a complete range of steel strapping tools for various packaging applications.
- Our commitment to quality is reflected in our prompt and effective solutions, supported by factory-trained engineers who work closely with clients to identify the best strapping tool for their needs.



Our Line Of Steel Strapping Tools Includes The Following.



Industry Overview



Notable trends in the Indian steel industry.



▶ **Growing investment**



▶ **Strategic alliances**



▶ **Entry of international companies**



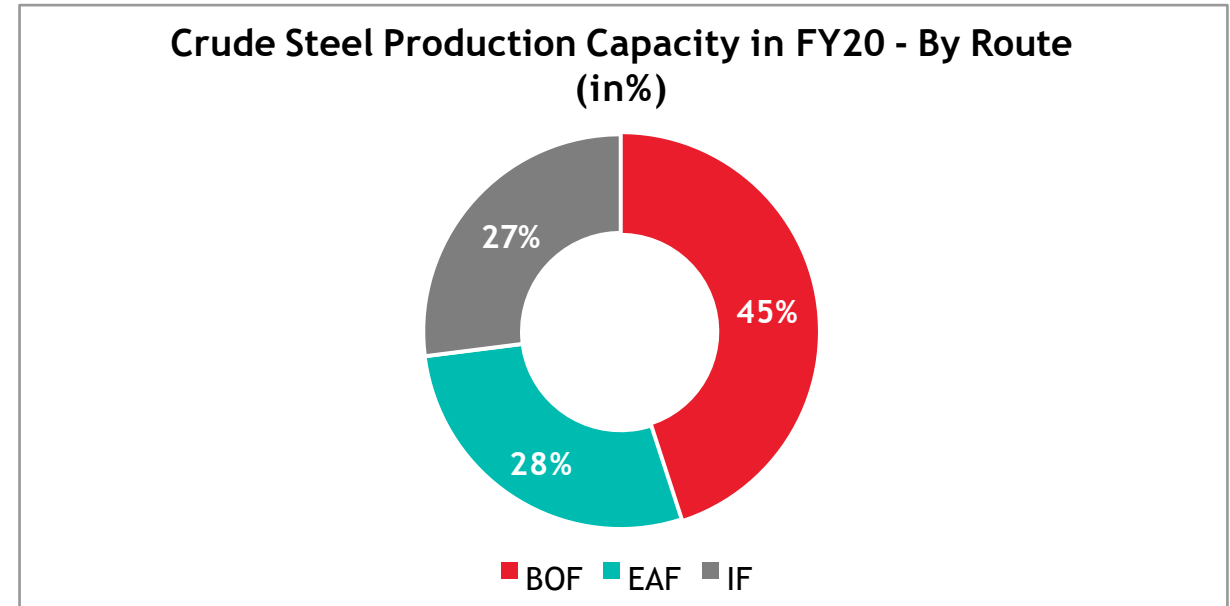
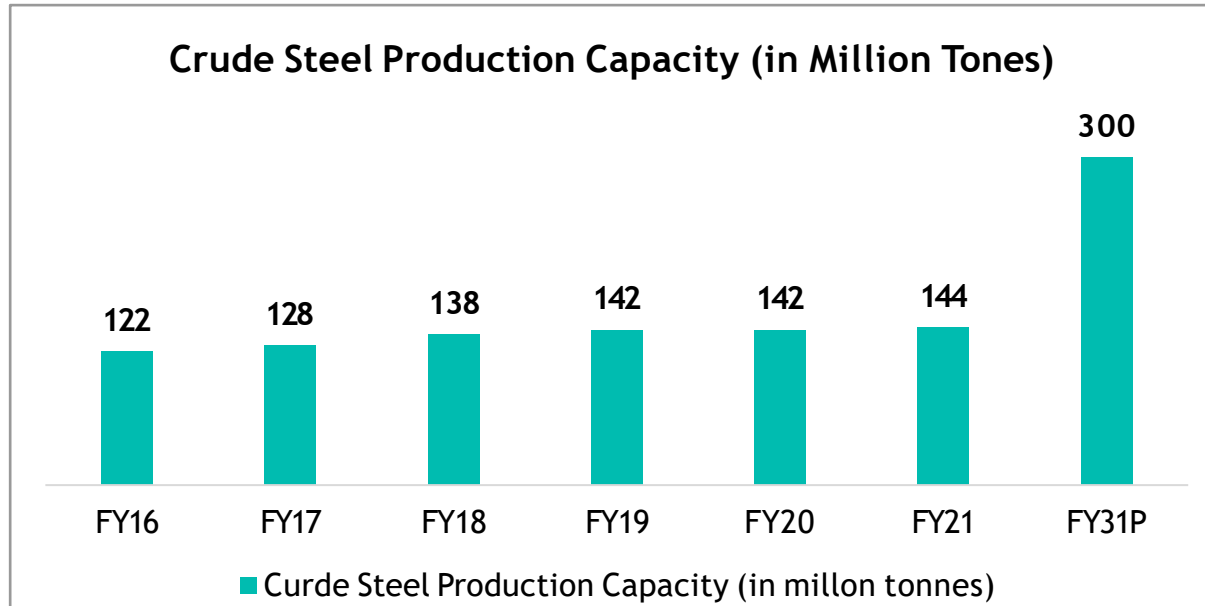
▶ **Increased emphasis on technological innovations**



▶ **Vehicle Scrappage Policy to reduce steel prices**

Strong Growth Drivers

- 1 | Fastest growing steel industry in the world.
- 2 | India's steel production is around 120 Million MT per annum, the second-largest producer of crude steel
- 3 | As per the Indian govt latest National steel policy aspires to achieve 300 Million MT of steel making capacity by 2030. This would translate into additional investment of 200 Billion USD by 2030-31.
- 4 | Demand for steel from different sectors will drive this industry.
- 5 | Expansion/ Technology Upgradation and New projects provides excellent platform for the supply of strapping machines & automatic packaging lines.
- 6 | Availability of low cost labor kept Indian medium and some large scale industries to stick with manual packaging methods.



- India's steel production capacity has expanded rapidly over the past few years, growing at a CAGR of 3.93% from 122 MT in FY16 to 143.9 MT in FY21. The National Steel Policy 2017 has envisaged achieving up to 300 MT of production capacity by 2030-31.
- By FY22, India's total steel capacity is likely to increase to 150 MT annually.
- BF-BOF route is expected to contribute 65% of the capacity, while the remaining 35% is expected to come from EAF & IF routes.
- Expansion of production capacity to 300 MT will translate into additional investment of Rs. 10 lakh crore (US\$ 156.08 billion) by 2030-31.
- Steel companies are looking to restart expansion projects on the back of surging steel process with a capacity addition of 29 MT.

Note: P - Projection, BF-BOF - Blast Furnace-Blast Oxygen Furnace, EAF - Electric Arc Furnace, IF - Induction Furnace, MT- million tonnes

Source: Joint Plant Committee, News Articles, Ministry of Steel, World Steel Association, CARE Ratings

Company	Installed Monthly Capacity (MT)	No of Production Units	Current Avg. Monthly Production (MT)	Approximate Market Share
Signode India Limited	6,000	2 Hyderabad, Telangana 1 Dahej, Gujarat	4,500	49%
Grip Strapping Technologies Private Limited Cyklop Owned	4,000	2 Hyderabad, Telangana 1 Vizag	2,500	27.5%
Tata Steel BSL Limited	1,000	1 Khopoli, Near Mumbai, Maharashtra	500	5%
Walzen Strips Private Limited	1,500	1 Kolkata, West Bengal	1,000	11%
Krishca Strapping Solutions Limited	1,500	1 Chennai, Tamil Nadu	900	7.5 %

- Based on the market research, the current market size of steel strap consumption in India is 9000 - 11000 Ton per month.
- As the industries which use steel strap is projected to see a rapid growth in the next 15 years, the steel strap consumption is also expected to see 5-10% growth each year.

Financial Overview



Profit & Loss Statement

In ₹ Cr

Particulars	FY20	FY21	FY22	FY23
Revenues	0.96	9.41	18.61	72.30
Other Income	0.02	0.30	0.11	0.11
Total Income	0.98	9.71	18.72	72.41
Raw Material costs	0.72	6.42	12.73	51.37
Employee costs	0.98	1.11	1.41	2.15
Other expenses	0.72	1.31	1.37	5.02
Total Expenditure	2.42	8.84	15.51	58.54
EBITDA	-1.44	0.87	3.21	13.87
EBITDA Margin %	(146.94)	8.96	17.15	19.15
Finance Costs	0.32	0.73	0.54	0.85
Depreciation	0.48	0.81	0.95	1.26
PBT	-2.24	-0.67	1.72	11.76
Tax	0.00	0.00	0.21	2.42
PAT	-2.24	-0.67	1.51	9.34
PAT Margin %	(228.57)	(6.90)	8.07	12.90

Balance Sheet

In ₹ Cr

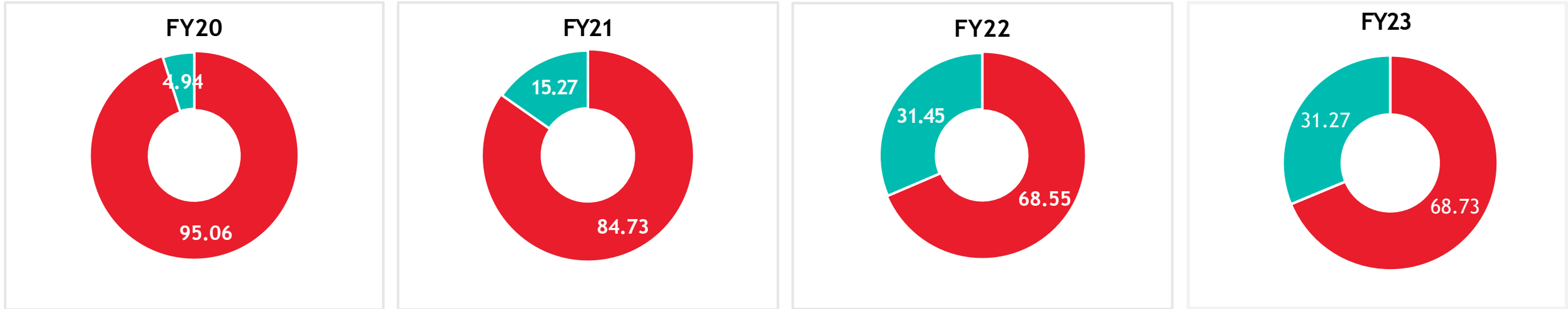
Equities & Liabilities	FY20	FY21	FY22	FY23
Equity	3.01	3.01	5.00	8.75
Reserves	-2.37	-4.22	-3.40	2.19
Net Worth	0.64	-1.21	1.60	10.94
Non Current Liabilities				
Long Term Borrowing	0.41	5.39	5.45	4.34
Deferred Tax Liabilities	0.00	0.02	0.19	0.00
Other Long Terms Liabilities	0.00	0.00	0.00	0.05
Total Non Current Liabilities	0.41	5.41	5.64	4.39
Current Liabilities				
Short Term Borrowings	7.87	7.99	3.94	7.75
Trade Payables	0.04	0.58	1.03	8.12
Other Current Liabilities	0.20	0.15	3.18	0.63
Short Term Provision	0.00	0.00	0.05	3.04
Total Current Liabilities	8.11	8.72	8.20	19.54
Total Liabilities	9.16	12.92	15.44	34.87

Assets	FY20	FY21	FY22	FY23
Non Current Assets				
Fixed Assets	5.55	6.15	5.92	9.02
Non Current Investments	0.00	0.00	0.00	0.00
Other Non Current Financial Assets	0.00	0.00	0.00	0.00
Deferred Tax Assets	0.01	0.00	0.00	0.40
Other Non Current Assets	0.00	0.00	0.00	0.46
Total Non Current Assets	5.56	6.15	5.92	9.88
Current Assets				
Inventories	1.57	1.96	1.46	10.76
Trade Receivables	0.77	2.29	5.60	12.03
Cash & Bank Balance	0.02	0.23	0.31	0.14
Other Current Financial Assets	0.00	0.00	0.00	0.26
Other Current Assets	1.24	2.29	2.15	1.80
Total Current Assets	3.60	6.77	9.52	24.99
Total Assets	9.16	12.92	15.44	34.87

Particulars	FY20	FY21	FY22	FY23
Cash from Operating Activities	(0.56)	(1.49)	(0.03)	6.72
Cash from Investing Activities	(2.67)	(2.55)	(1.39)	(4.34)
Cash from Financing Activities	3.09	4.25	1.50	(2.39)
Net Cash Flow	(0.14)	0.21	0.08	(0.01)
Net Cash at Beginning of Year	0.17	0.02	0.23	0.15
Net Cash at the End of Year	0.02	0.23	0.31	0.00

A Look at Our Customers' Contributions.

In %

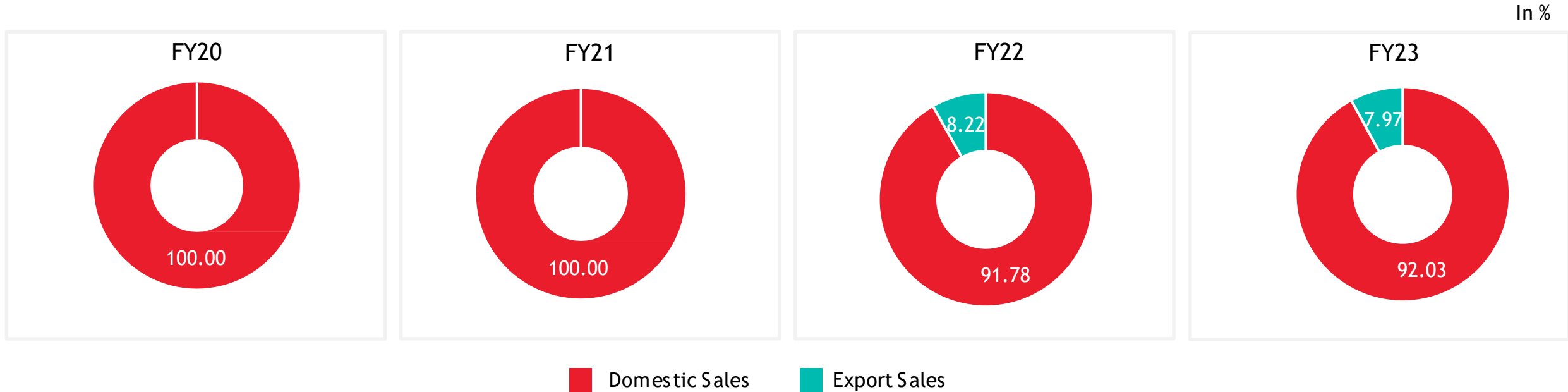


■ Top 10 Customers ■ Other Customers

In ₹ Cr

Particulars	FY20	FY21	FY22	FY23
Top 10 Customers	0.91	7.97	12.76	49.69
Other Customers	0.05	1.44	5.85	22.61
Total	0.96	9.41	18.61	72.30

The Company Started Exports from FY22 to United Arab Emirates, Dubai and Saudi Arabia

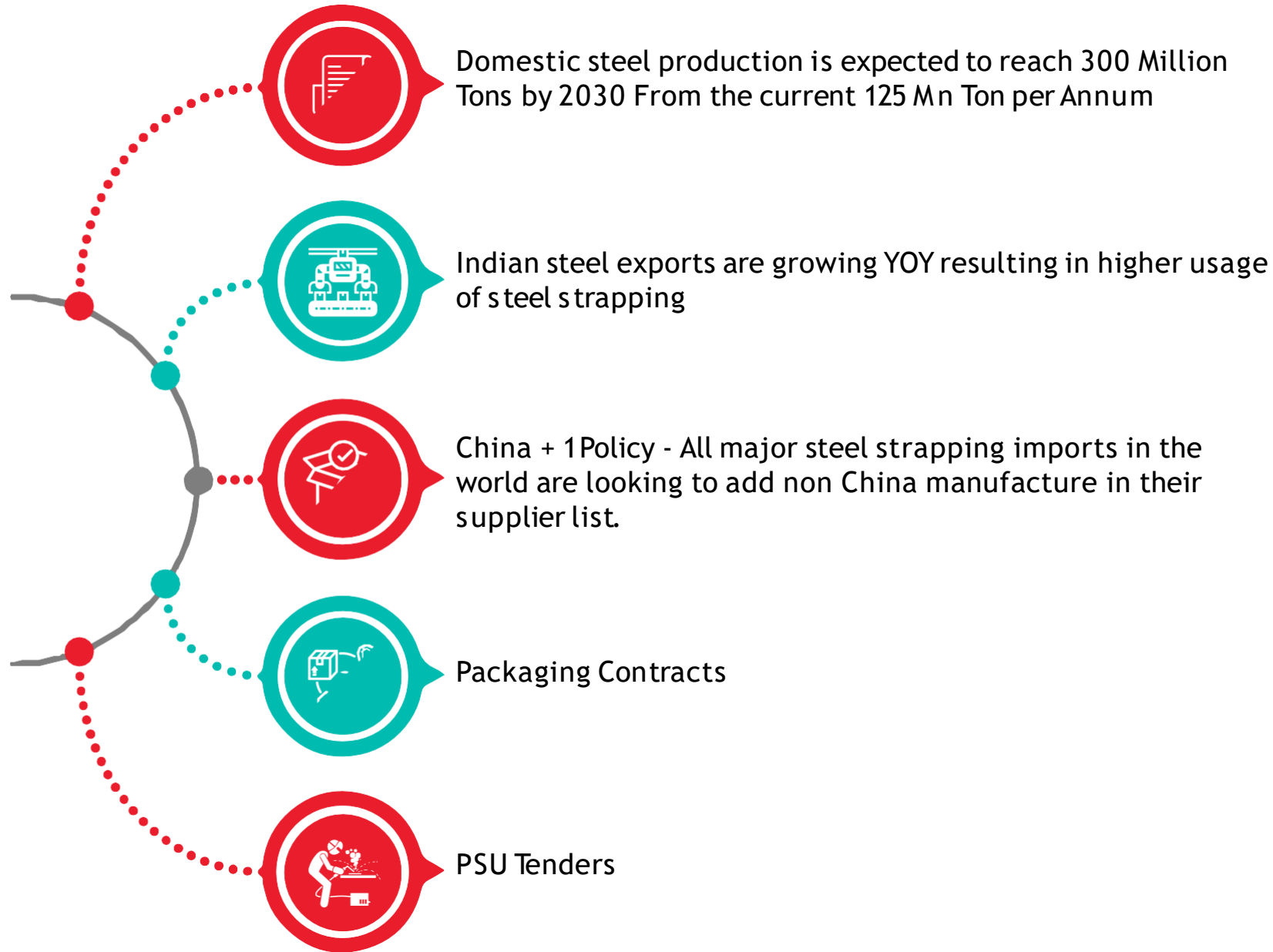


In ₹ Cr

Particulars	FY20	FY21	FY22	FY23
Domestic Sales	0.96	9.41	17.08	66.54
Export Sales	0.00	0.00	1.53	5.76
Total	0.96	9.41	18.61	72.30

Growth Drivers







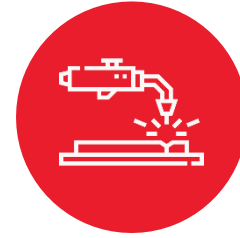
NEW HARDENING & TEMPERING LINE

New hardening & tempering line in Tamil Nadu, expanding capacity and enabling entry into new markets with Ultra High Tensile Strapping.



INVESTMENT IN MIDDLE EAST

Expansion in Middle East with new sales offices, warehouses, and manufacturing plant, to get access to US market.



WELDING WIRE PRODUCTION PLANT

The Company is currently planning to enter welding consumable market with new subsidiary and MIG welding production plant in Chennai, catering to local and export markets.



PACKAGING CONTRACTS - NEW DIVISION

To focus on India's steel packaging contract market, which is estimated to be worth 2000-2500 Cr per annum and is currently dominated by a few players.

The major customers in this market are packaging contractors, who currently outsource the packaging of steel mills to these contractors.

Revenue is expected to grow by 35-45% in FY24 due to increased sales from current operation and also from new strapping line which will be into operations from December 2023.

EBITDA margins is expected to stay within a corridor of 17-20%.



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THANK YOU

