

ANKIT METAL AND POWER LIMITED

(Under Corporate Insolvency Resolution Process)

SANJEEV KUMAR JALAN

RESOLUTION PROFESSIONAL (RP)

**IBBI REGISTRATION NO. IBBI/IPA-001/IP-P-01901/2020-
2021/13053**

INVESTMENT TEASER

16th November 2024

PREFACE

An application under Section 7 of the Insolvency and Bankruptcy Code, 2016 (“IBC”) was filed by *Assets Care Reconstruction Enterprise Limited* (ACRE) vide C.P (IB) No. 91/KB/2023 on March 29, 2023, against Ankit Metal and Power Limited (“Corporate Debtor” or “CD”) in order to initiate the Corporate Insolvency Resolution Process (CIRP).

The Hon'ble National Company Law Tribunal, Kolkata Bench (NCLT) pursuant to the order dated May 03, 2024 (“Order”) admitted the application for initiation of CIRP of the Corporate Debtor and Mr. Kshitiz Chhawchharia was appointed as the Interim Resolution Professional (“IRP”) Subsequently, the Hon'ble NCLT vide its order dated 12th September 2024 in IA (I.B.C)/1920 (KB) 2024 approved the appointment of Mr. Sanjeev Kumar Jalan having IBBI registration number IBBI/IPA-001/IP-P-01901/2020-2021/13053 as the Resolution Professional (“RP”) of the Corporate Debtor.

COMPANY BACKGROUND

Ankit Metal & Power Limited (AMPL) earlier initialized as Ankit Steel Works Private Limited was incorporated on 7th August 2002 and was later changed to Ankit Metal & Power Private Limited as on 9th July 2004.

Ankit Metal & Power Limited is a **Public limited company**, listed with both the stock exchanges (NSE & BSE) and accordingly, the Financial Results filed by the CD till December 31, 2023, are available in the public domain.

The Company is engaged in the steel manufacturing business. It has an integrated steel plant located on **Owned Land** at 35, Saltora Bankura Road, Jorehira Chhatna, Bankura, West Bengal, 722137.

A diversification of the group into Steel-making, Ankit Metal & Power Limited was floated in 2005 as an Integrated Steel Plant to produce Rolled products comprising of Sponge Iron, Steel Melting Shop, Billets and Rolling Mill along with Captive Power Plant.

Office Address:

Registered office : 35 Chittaranjan Avenue, Kolkata 700012

Corporate office : SKP House, 132 A, Shyama Prasad Mukherjee Road, Kolkata 700026

BUSINESS OVERVIEW

Products Manufactured by the Company includes:

1. Sponge Iron



2. Billets



3. Rolling Mill (TMT Bar)



4. Ferro Silicon



5. Pellet



6. Pig Iron



7. Wire Rod

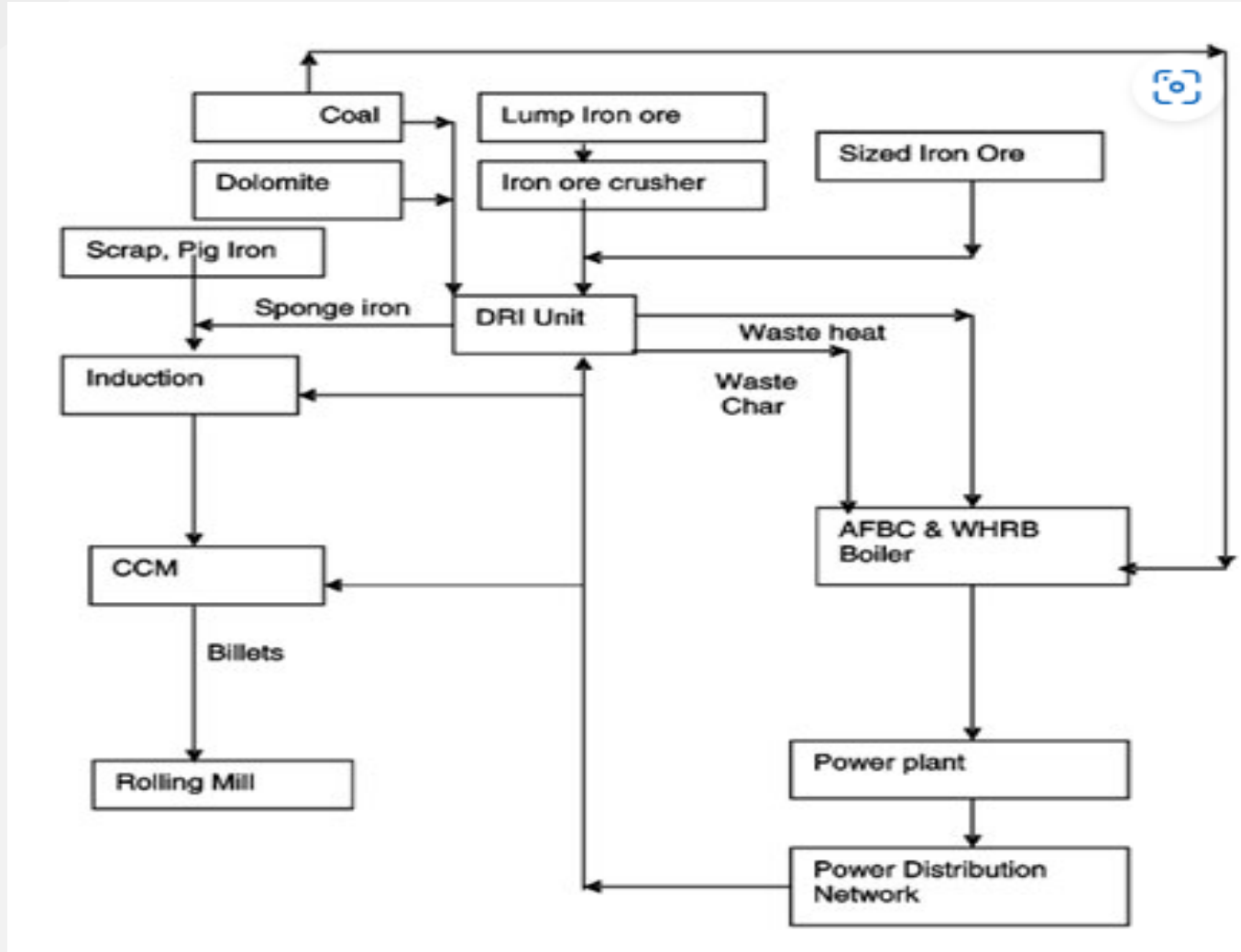


8. Silico Manganese



PROCESS FLOW & ANNUAL INSTALLED CAPACITY

Process Flow Chart of the Company:



Annual Installed Capacity of the Company:

Product	Installed Capacity
Sponge Iron	2,10,000 (MT)
MS Billet	1,81,542 (MT)
Pellet	6,00,000 (MT)
TMT Bar/MS Round	1,00,000 (MT)
Wire Rod	1,80,000 (MT)
Pig Iron	12,500 (MT)
Captive Power Plant	20 MW - WHRB*
	25.5 MW - AFBC**

*Waste Heat Recovery Based

**Atmospheric Fluidized Bed Combustion

INDUSTRY OVERVIEW

GLOBAL OUTLOOK

- In 2024, Global steel production was projected to reach 1.95 billion MT approximately, reflecting a slight increase from 1.91 billion MT, from last year.
- Top Producers of steel across the world:
 - ❑ **China** : Expected to produce around 1.05 Bn MT, maintaining its position as the world's largest steel producer.
 - ❑ **India** : Forecasted to produce about 130 Mn MT of steel
 - ❑ **Japan** : Anticipated production of around 95 Mn MT of steel
- The World Steel Association has forecasted the following growth in the demand in year 2024 : Increase in USMCA, Central & South America, Africa, Middle East, European Union & UK, Russia and Ukraine And in Asia.

(Refer snippet)



INDIAN ECONOMY

India is the world's second-largest producer of crude steel, with an output of 125.32 MT of crude steel and finished steel production of 121.29 MT in FY23.

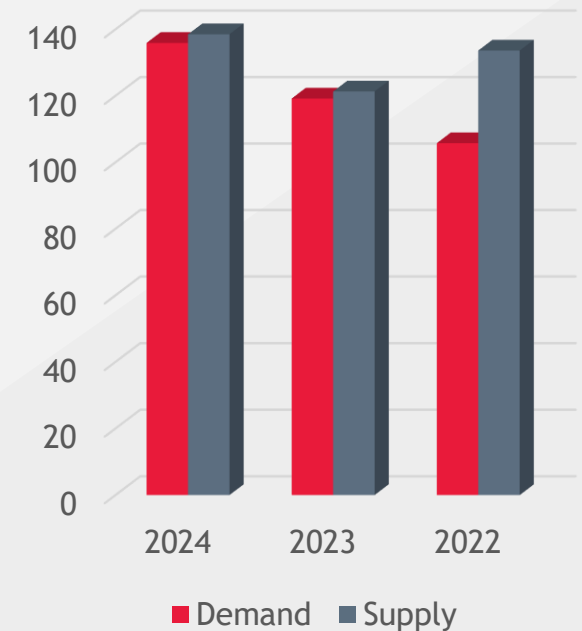
DEMAND

- As per ICRA, India's domestic steel demand is expected to grow by 9-10% in FY 2025
- In FY23, the consumption of finished steel stood at 119.17 MT as compared to 105.75 MT in FY22.
- Demand for finished steel has outpaced supply over the last five years, with consumption per capita expected to increase to 160 kgs by 2030-31 as per National Steel Policy.
- It is expected that consumption per capita would increase, supported by rapid growth in the industrial sector and rising infra expenditure projects in railways, roads and highways, etc., which is in line with the end use of the final products manufactured by AMPL.
- The government has fixed objectives to increase rural consumption of steel from the current 19.6 kg per capita to 38 kg per capita by 2030-31.

SUPPLY

- As per IBEF Report, India's steel production is estimated to grow by 15% to 138.50 MT in FY24 as compared to 121.29 MT in FY23.
- India's exports and imports of finished steel stood at 7.49 MT and 8.32 MT, respectively, in FY24.
- India's steel production capacity has expanded rapidly, with the country expected to reach 300 MT of production capacity by 2030-31.
- The BF-BOF* route is expected to contribute 65% of the capacity, while the EAF* and IF* routes are expected to contribute 35%.
- India will commission new steel-making facilities with a capacity of about 40 MT per year by the 2025/2026 financial year.

Demand vs. Supply



INDIA STEEL - STATE OF THE MARKET

One of the largest crude steel producer, India is a significant market that has seen strong headwinds in the past, but recovery is on track with a positive outlook from both demand and supply aspects

- India is the largest producer of Direct Reduced Iron (sponge iron) globally.
- World DRI production stood at 82.696 MnT in the period January-August 2024, showing a YoY growth of 5.8%. In August 2024, world DRI production was 10.468 MnT, up by 3.3% compared with the same month of the previous year.
- India remained the leader in world DRI production with an output of 35.510 MnT (up 10.7% YoY) in January-August 2024. India accounted for 42.9% of world DRI production during the period, followed by Iran and Russia with an output of 22.814 MnT and 5.531 MnT and world DRI production of 27.6% and 6.7%, respectively.

World DRI Production (Prov)			
Rank	Top 5	Jan-Aug 2024 (MnT)	% yoy change
1	India	35.510	10.7
2	Iran	22.814	8.4
3	Russia	5.531	8.3
4	Saudi Arabia	4.571	(-)0.4
5	Egypt	4.398	(-)6.5
Top 5 Total		72.824	7.8
World		82.696	5.8

Source: worldsteel

Item	Performance of Indian steel industry		
	April-August 2024*(MnT)	April-August 2023 (MnT)	% change*
Crude Steel Production	60.944	58.485	4.2
Hot Metal Production	36.604	35.260	3.8
Pig Iron Production	3.336	2.983	11.9
Sponge Iron Production	22.159	20.741	6.8
Total Finished Steel (alloy/stainless + non-alloy)			
Production	58.927	55.913	5.4
Import	3.718	2.776	33.9
Export	1.915	3.173	-39.6
Consumption	60.267	52.954	13.8

Source: JPC; *provisional; MnT=million tonnes

- As per report issued by JPC, there has been an increase in the period April-August 2024 by 4.2% in Crude Steel, 3.8% in Hot Metal, 11.9% in Pig Iron and 6.8% in Sponge Iron, as compared to that in 2023.

Note: Total finished steel includes both non-alloy and alloy (including stainless steel)



GOVERNMENT SUPPORT

- The Government of India expects PLI short-listed companies to invest US\$ 1.2 billion (Rs. 10,000 crore) in specialty steel-making next year and nearly US\$ 1.9 billion (Rs. 16,000 crore) by FY24-end.
- In November 2023, the Steel Secretary also informed that India's steel capacity has crossed 161 million tonnes (MT) and the industry is poised for continuous growth.
- Under the Union Budget 2023-24, the government has allocated Rs. 70.15 crore (US\$ 8.6 million) to the Ministry of Steel.
- As per the Union Budget 2024-25, the Government's push to infrastructure sector will increase the demand for steel.
- In July 2023, Union Minister announced that Japan is eager to invest ¥ 5 trillion (US\$ 36 billion), in various sectors in India, including steel.
- As per National Security Policy 2017, the Central Government stated that all the Government tenders will give preference to domestically manufactured steel and iron products.
- Moreover, "Make in India" initiative and policy decisions taken under it are expected to augment the country's steel production capacity and resolve issues related to the mining industry.
- The Ministry of Steel plans to invest US\$ 70 billion in the eastern region of the country



THANK YOU