



# GROUP OVERVIEW

February 2024

<https://www.kirloskarlimitless.com/>

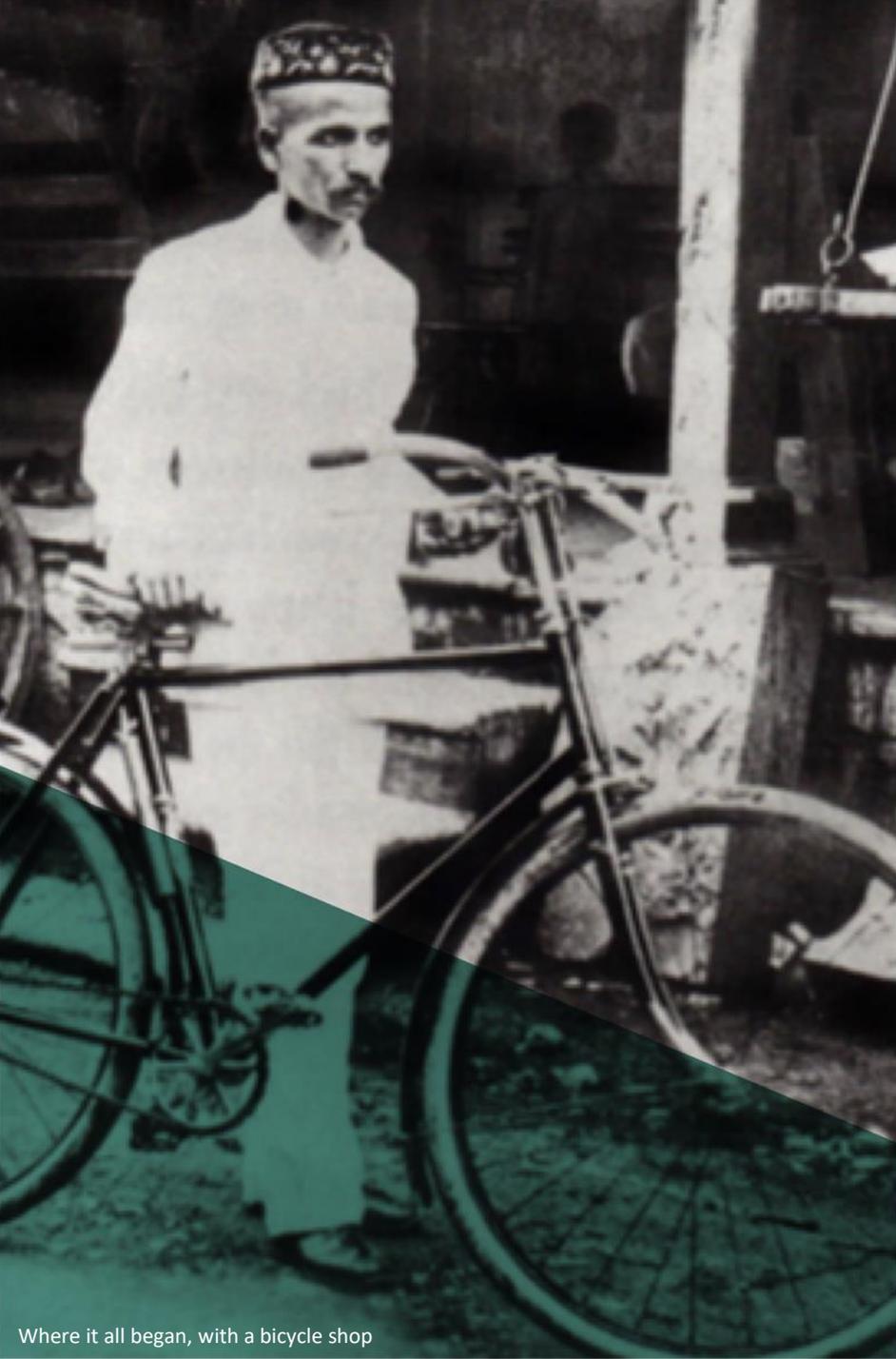
# Cautionary Statement

This presentation contains statements relating to future business developments and economic performance that could constitute ‘forward-looking statements. While these forward-looking statements represent the Company’s judgments and future expectations, a number of factors could cause actual developments and results to differ materially from expectations. The Company undertakes no obligation to publicly revise any forward-looking statements to reflect future events or circumstances. Further, investors are requested to exercise their own judgment in assessing various risks associated with the Company and also the effectiveness of the measures being taken by the Company in tackling them, as those enumerated in this Report are only as perceived by the Management.

Note: Across this presentation

- “KIL” refers to “Kirloskar Industries Limited.”
- “KFIL” refers to “Kirloskar Ferrous Industries Limited.”
- “KOEL” refers to “Kirloskar Oil Engines Limited.”
- “KPCL” refers to “Kirloskar Pneumatic Company Limited.”
- “ISMT” refers to “Indian Seamless Metal Tubes Limited.”
- “ASL” refers to “Avante Spaces Limited.”





# A LEGACY OF ENGINEERING A LIMITLESS FUTURE

In 1888, when others looked to the past, one man looked to the future. From a bicycle shop to India's first iron plough, he set in motion the nation's industrial revolution. Today, we are known as the leader in castings, diesel engine and genset manufacturing, motors, compressors, pneumatic packages and cooling solutions, and seamless pipes forming the backbone of several industries. With many firsts to our name, we innovate solutions that challenge convention and create a limitless future.

**We made India's first**

**CENTRIFUGAL PUMP**

**DIESEL ENGINE**

**LATHE**

**MOTOR**

**AIR COMPRESSOR**



We're all about finding solutions, building partnerships and peering into the future...



## EXCELLENCE

In everything we do, quality without compromise



## INTEGRITY

Say what we do, and do what we say



## COLLABORATION

We grow with people and partners



## EMPATHY Towards all Stakeholders

We always listen, and learn



## VALUE CREATION Towards all Stakeholders

We're building for a shared prosperous future



## INNOVATIVE THINKING

Be bold and brave, & stay relevant



# OUR BUSINESSES...



**Kirloskar Oil Engines**

Engines, Gensets, Farm mechanization, Pumps, Electric Motors



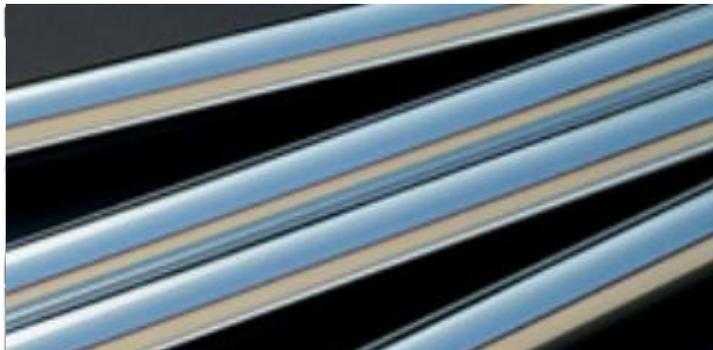
**Kirloskar Ferrous & ISMT**

Pig Iron, Iron Castings  
Steel, Seamless Pipes, Value added products



**Kirloskar Pneumatic**

Air and Gas Compressors, Refrigeration systems, Gears



**Kirloskar Chillers**

Chillers



**Kirloskar Industries**

Windmills, Real Estate



**ARKA Fincap**

Financial Services and Lending



# KIRLOSKAR LIMITLESS NUMBERS THAT MATTER

**133+**

Years of  
History

**30**

Countries  
Presence

**6.8k+**

Employee  
Base

**142**

INR Billion  
Combined  
Turnover\*

**331**

INR Billion  
Combined Market  
Cap\*\*

**84**

INR Billion  
Net Worth#

**1+**

Million gensets  
installed across globe

**130k**

MT of Castings  
Produced in a year

**50%**

CNG Stations in  
India are Powered  
by Kirloskar

\*Turnover Includes – Consolidated numbers for KOEL, and standalone numbers for KIL, KFIL, KPCL and ISMT for the year ended March 31, 2023.

\*\* Market Cap Based on the closing price of February 22, 2024, of KOEL, KIL, KPCL, KFIL & ISMT

# Based on the March 31, 2023 results for the listed companies only





**The Group Overview**



Financial update & business outlook



Transitioning for future-ready businesses



Sustainability

# Agenda



# The Kirloskar Group



Manufacturing Excellence and Strong R&D Focus	<ul style="list-style-type: none"><li>• Strong manufacturing footprint</li><li>• Best-in-class processes</li><li>• Strong focus on research and development</li><li>• Broadened and diversified portfolio in allied sectors</li></ul>
Resilient Supply Chain	<ul style="list-style-type: none"><li>• Backward integration for core businesses</li><li>• Strong channel network across India</li><li>• Long-standing relationships with all key suppliers</li></ul>
People Focused	<ul style="list-style-type: none"><li>• Customer delight at the core</li><li>• Wide customer base – B2C, B2B, and Government</li><li>• Employee base of 6,800+</li><li>• People and culture-driven organisations</li><li>• Nurturing leaders for the future-ready businesses</li></ul>
Sustainable Business Model	<ul style="list-style-type: none"><li>• ESG Focused approach across businesses</li><li>• Strong focus on governance</li><li>• Focus on low leverage and cash generation</li><li>• Effective use of established asset base</li></ul>





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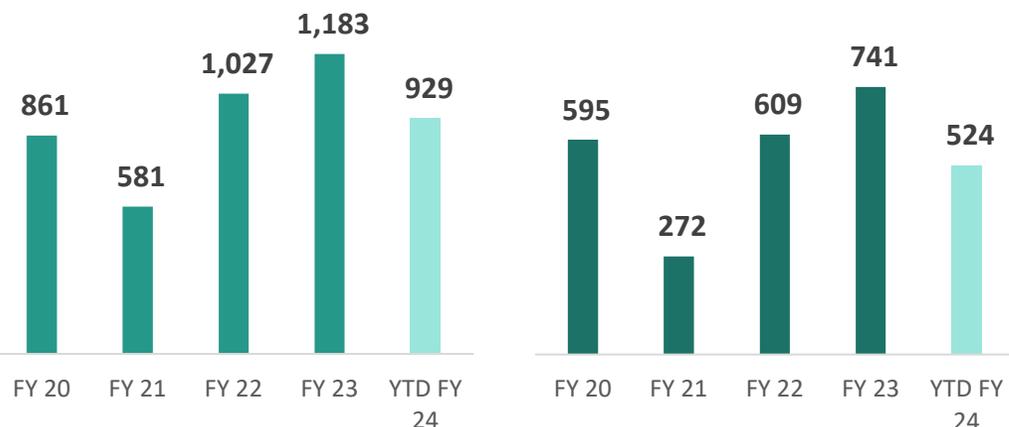


# Kirloskar Industries Limited

All amounts INR Million

## Total Income#

## Net Profit#



## Holding structure\*

Company name	Percentage of holding
Avante Spaces Limited	100%
Kirloskar Ferrous Industries Limited	50.72%
Kirloskar Brothers Limited	23.91%
S.L. Kirloskar CSR Foundation	19.60%
Kirloskar Pneumatic Company Limited	9.97%
ISMT Limited	9.98%
Kirloskar Management Services Private Limited	7.00%
Kirloskar Oil Engines Limited	5.68%

\* As of Dec 31, 2023.

## Key Business Updates

- Un-registered Core Investment Company (CIC) regulated by the Reserve Bank of India
- Ventured into the real estate business through Avante Spaces Ltd.
- Mixed-use projects are currently under development in Kothrud, Pune area with a leasable area of about 1.8 million square feet
- Preferential allotment of Warrants convertible into equity shares of KIL to Mr. Atul Kirloskar and Mr. Rahul Kirloskar

## Outlook

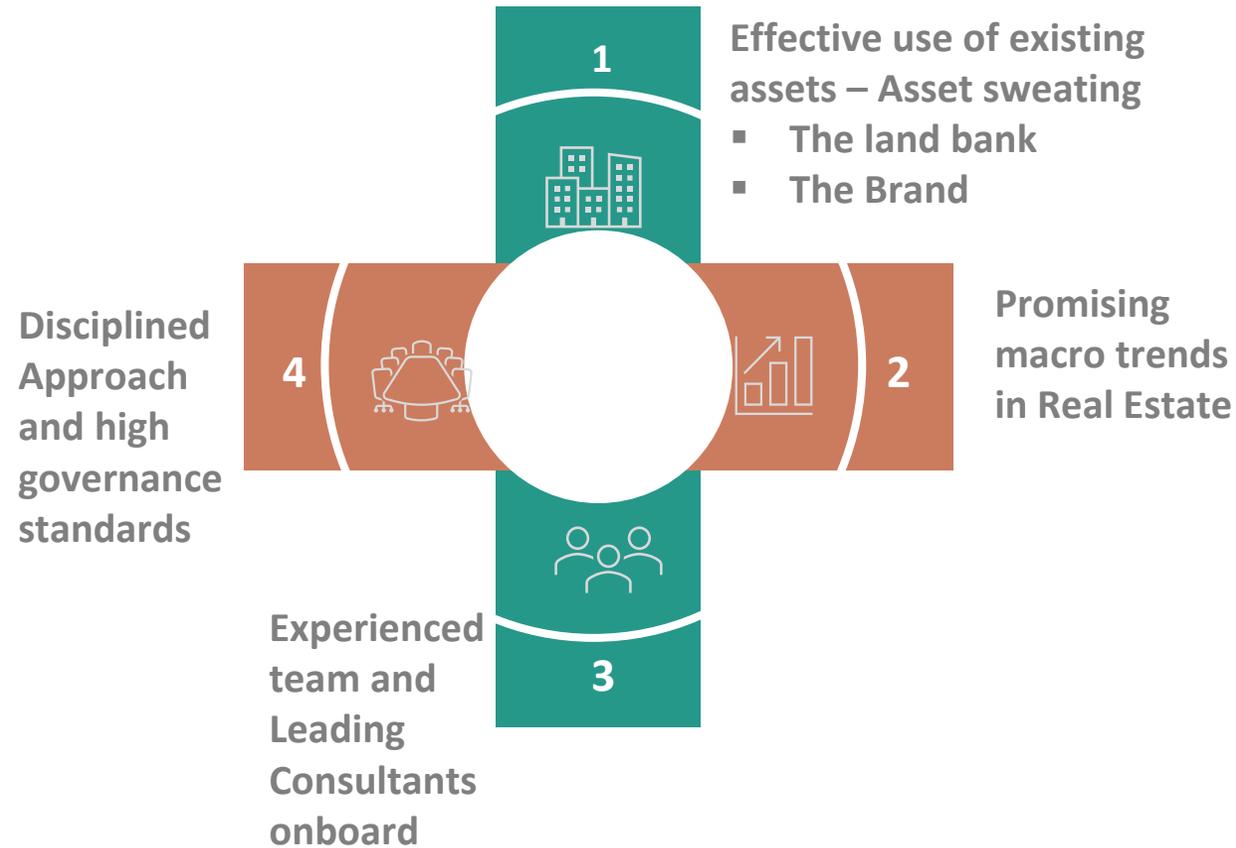
- Developing the real estate arm under the holding company
- Building future-ready smart buildings
- Currently possess 80+ acres between two land banks in Pune

# Standalone performance

<https://www.kirloskarindustries.com/>



## Kirloskar Group's Diversification in Real Estate Business



## Market segment and Location Focus



## Funding Update

- Investment from KIL into preference shares of ASL of ~ INR 1 Billion

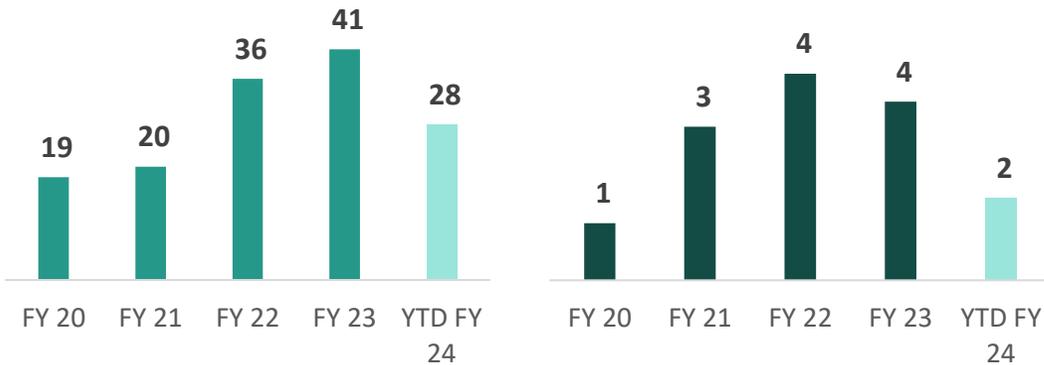


# Kirloskar Ferrous Industries Limited

All amounts INR Billion

## Revenue#

## Net Profit#



## Key Business Updates

- Iron ore mines to machined castings – Fully backward integrated operations
- Captive Iron Ore mines
- Captive solar plant and waste heat recovery plant
- Strong client base – Most of the engine, tractor, HCV & LCV manufacturing companies across the globe
- ISMT turned profitable within a year of the acquisition

## Proposed KFIL ISMT Merger

### Rationale

- Consolidation to bring more synergies between two businesses for the long sustainable growth
- Merger to bring increased scale, expanded reach, higher cross-selling opportunities to a larger base of customers, along with improvement in productivity

### Details of the scheme

- The appointed date of the proposed scheme is April 1, 2023
- Shareholders holding not less than three-fourths in the value of the shares in ISMT shall become shareholders of KFIL by virtue of the merger (other than shares already held therein by KFIL)

## Outlook

- Further expansion of Solapur Foundry
- 200 MW of Renewable energy projects (KFIL+ISMT)
- Collective synergies from KFIL ISMT merger
- Target TO become a 2-Billion-dollar company by 2030

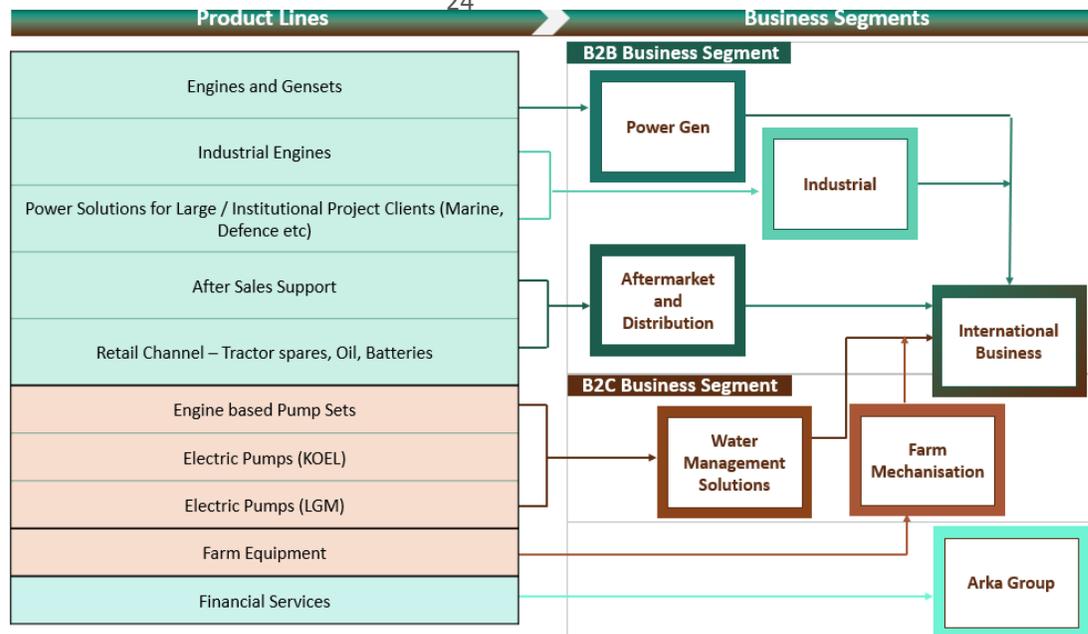
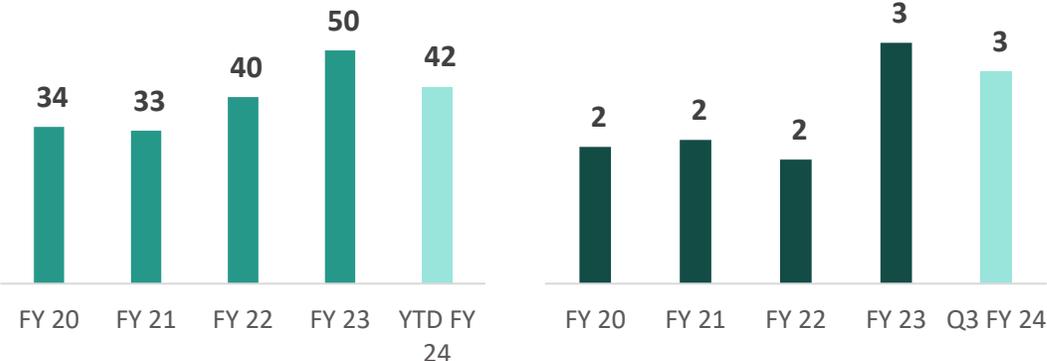


# Kirloskar Oil Engines Limited

All amounts INR Billion

## Revenue#

## Net Profit#



## Highlights

- Strong in house R&D
- Well spread out aftermarket network. Ability to reach any customer in India in under 4 hours
- Strong brand presence
- Market leader by volume in the Indian market
- Manufacturing capability and capacity availability

## Outlook

- Indian emission norms upgrade – an enabler for KOEL to make engines for the advanced emission engines across the geographies
- Stated growth strategy of 2X3Y progressing as per plan – Double the top line in 3 years
- Proven track record of manufacturing from India to other geographies. Well poised to capitalise on the global interest on India as a manufacturing and engineering hub
- Strong growth outlook projected for the Indian economy



# KOEL Advantage

A sweet spot with strong macro economic tailwinds and organizational strengths converging

## Domestic Demand

One of the few economies projected to grow at a healthy rate

## Manufacturing Hub

Current geopolitical dynamics are forcing companies to look for alternate manufacturing and supplier base

## Emission Standards

New emissions standards, CPCB4+ and BSV are at par with most advanced norms

## Demographic dividend

Availability of trained workforce and a stable democracy

Macro Economic Tailwinds

Who we are

## Values Driven

Values based organization. Known for its business practices and social commitment. Has proven track record of being in successful partnerships with many global players

## Manufacturing and Supply Chain Acumen

World class manufacturing facilities and capacity ahead of demand strategy. Localised supply chain, resistant to global shocks. Capacity and capability to manufacture from India to the world

## Strong R&D

In house state of the art R&D. Most of the products are developed internally

## Strong Channel Presence

Ability to reach a customer in under 4 hours. Strong presence across the country both on first fit sales and aftermarket



# ARKA FINCAP Ltd

Established in 2018, the company focuses on providing Structured-Term Financing Solutions to Corporates & Loans to Micro, Small & Medium Enterprises (MSMEs) borrowers in India

**INR 47.2 Billion**  
**ASSETS UNDER MANAGEMENT**

**INR 11.5 Billion**  
**EQUITY**

**PRESENCE IN**  
**31**  
**CITIES IN INDIA**

**Ratings from CRISIL**  
**Long-term borrowings:**  
**AA(-)**  
**Short-term borrowings:**  
**A1(+)**

## A DIVERSIFIED PRODUCT PORTFOLIO

CORPORATE LENDING	REAL ESTATE AND ALLIED FINANCING	PERSONAL LENDING	SME/MSME LENDING
A range of financing solutions to meet business requirements of large corporations, with flexible repayment structures mapped to client cash flows	customized financing solutions, which enable property and urban infrastructure developers to scale up their businesses. We also offer financing to social entrepreneurs	facilitate clients with personal loans for various end-uses, through seamless and paper-free digital lending	Loans Against Property, Supply Chain Finance and Business Loans are designed to fast-track business growth

## KEY DIFFERENTIATING FACTORS



**SOLID CULTURE**



**ABILITY TO BE AGILE**



**SUPERIOR TECHNOLOGY**



**DIFFERENTIATED BUSINESS MODEL**



**COMFORTABLE LIQUIDITY**



**EFFECTIVE RISK MANAGEMENT**

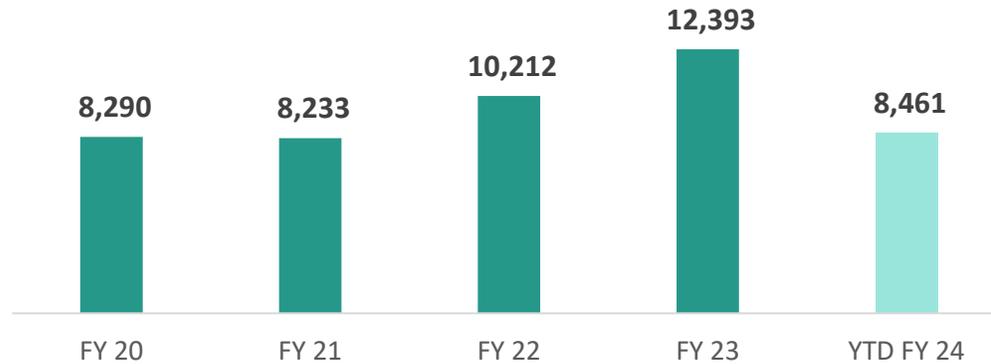
As of Dec 31, 2023



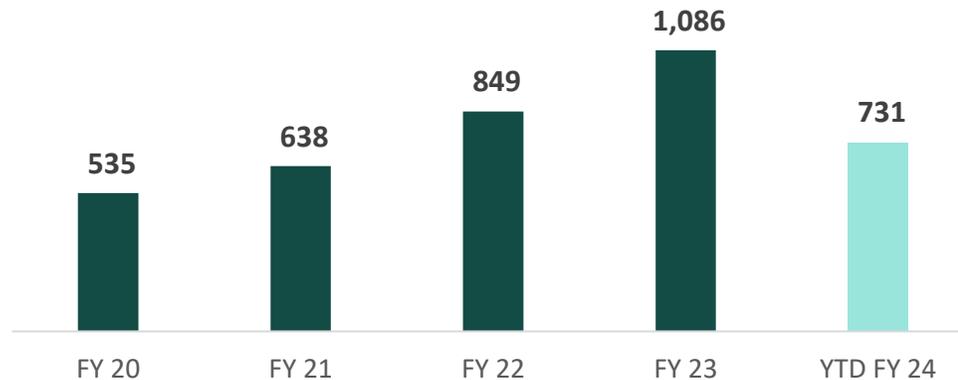
# Kirloskar Pneumatic Company Ltd

All amounts INR Million

## Revenue



## Net Profit



## Key Business Updates

- Market Focus –
  - Refrigeration
  - Air compressors
  - Gas compressors
- Market potential for city gas distribution network
- New product launch – Khione Screw Compressor

## Outlook

- Booster stations as a new addition to the offering
- Moving from reciprocating to rotary compressors
- Target of doubling the top line
- Focus on export markets





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**Transitioning for future-ready businesses**



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# Brand Refresh

- Brand Kirloskar refreshed with a new logo and new business vision: limitless; on 16<sup>th</sup> July 2021
- Campaign Brand refresh has been launched through TV, newspaper, and social media
- What stays at the core of the group, for the last 130 years, is to work toward the progress of the society
- At Kirloskar we are engineered to always think about our customers, about society, and what's next

**It is this potential that makes opportunities** *limitless*



**kirloskar**  
*limitless*



# Strong governance framework

- **Balanced boards** with a good mix of Independent and non-independent directors
- Boards designed to leverage the **diverse skills** of the board members
- **Group-wide code of conduct** rolled out which encompasses a policy framework for ethical business parties across the value chain
- Third-party **Ethics Helpline** in place for whistleblower complaints

	% of Independent Directors (IDs)	No of Committees Chaired By IDs
<b>KIL</b>	55%	3 out of 5
<b>KFIL</b>	50%	3 out of 6
<b>KOEL</b>	55%	4 out of 5
<b>KPCL</b>	67%	4 out of 6
<b>ISMT</b>	50%	5 out of 11

As on Dec 31, 2023



# Experienced Leadership



**Atul Kirloskar**  
Chairman – KIL,  
KFIL, KOEL



**Rahul Kirloskar**  
Chairman –  
KPCL, ISMT



**Mahesh Chhabria**  
Managing  
Director  
KIL



**Vinesh Kumar  
Jairath**  
Managing  
Director  
ASL



**R.V. Gumaste**  
Managing  
Director  
KFIL



**Gauri Kirloskar**  
Managing  
Director  
KOEL



**Rahul Sahai**  
CEO B2B  
KOEL



**Aseem Srivastav**  
CEO B2C  
KOEL



**Vimal Bhandari**  
Managing Director  
ARKA



**K. Srinivasan**  
Managing Director  
KPCL



**Nishikant Ektare**  
Managing Director  
ISMT



## Our Work Environment and People Philosophy

### How we work is as important as what we do

- Work culture that reflects our values
- Work environment that is inclusive and geared around collaboration and innovation
- Ideas are welcomed, nurtured and shared
- A happy place where people can feel free to grow and express themselves

### Developing Talent

- Philosophy that is built around our faith in the power of human potential
- Giving every employee the best tools to find their own niche, hone their talents and free their thinking
- Organizing courses and workshops that bring teams together and help individuals unleash the entirety of their vast potential



# Adapting Industry 4.0

## A journey from Digital Awareness to Digital Innovation



### Build Awareness



- Multiple workshops have been run to improve digital literacy
- Leadership session on Innovation
- Digital Charter across the Kirloskar Group



### Build Capability



- A rigorous program for to develop Digital Champions across value chain
- Encouraged Pilot projects / Prototypes for idea validation across companies



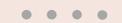
### Governance



- Digital Steering Committee to develop and monitor roadmap across the Group
- Cross-company sharing & learning mechanism
- Work towards WEF Lighthouse status



### Innovation Factory



- Scale-up Labs via strategic partnerships across start-ups, automation vendors, system integrators
- Transition ideas from validation to production





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# Kirloskar Group Sustainability Efforts

To create a sustainable and limitless future through Innovation, Inclusion, and Integrity

ESG Focus

Integrating Climate Action and deepening Circular Economy efforts

## 01 GREEN PLANET

- Climate action (Energy management, GHG emissions)
- Circular economy (Waste & water management, product stewardship & life cycle management)



Maintaining stakeholder relationships and creating social value

## 02 NURTURING WORKPLACE

- Employee health and safety
- Talent Management
- Stakeholder Relations (Shareholders, Customers, Community & Supply Chain Partners)
- Responsible Supply Chain
- Human Rights & labor practices (Diversity, Equity & Inclusion, Human Rights)



Building transparent Governance

## 03

- Corporate Governance (Business Ethics, Board Structure & Management, Risk Management, Tax Transparency)
- Innovation Management
- Cyber security & Data privacy
- Transparent disclosures



Sustainability Foundation

Corporate Governance

Policies

Transparency



# Responsible use of natural resources

We continually strive to minimize the environmental impact of our operations through sustainable practices and responsible use of natural resources. We have evolved our strategies for reducing, reusing, recovering, and recycling the impact of operational wastes

KOEL's manufacturing plant at Kagal is

## Carbon Neutral

Certified as CII 'Greenco Platinum Plant' for the year 2021, Recipient of Golden Peacock Award for Energy Efficiency for a third consecutive year

With the power generated from Solar plant and Waste heat recovery plant

# 100%

of KFIL electricity consumption is generated in house

KPCL's

## Vertical Green Wall

India's largest – 21,283 Sq Ft  
Home to ~ 3,000 Birds  
Size- Among the top 3 in the World



Kagal plant aerial view



Vertical Green wall at KPCL



Solar Plant at KFIL



Windmills at ISMT



# Community Development Programs



## Health

- Life skill training for adolescents
- Health check-up camp for women
- Health check-up camp for children
- Hand wash demonstration at School
- Mission Vayu - supported
- Mahratta Chamber of Commerce Industries & Agriculture Pune platform with oxygen concentrators and BiPAP ventilators for hospital during second wave



## Education

- Sports material & scholarship distribution to school children
- Library support to schools
- Skill development at SMAK ITI
- KaShi( Kanya shiksha) - aimed at supporting the daughters of our cold storage units workmen in UP, Gujarat, Rajasthan and MP



## Environment

- Kirloskar Vasundhara International Film Festival
- Smart and Sustainable – It's My City – FY 2016
- Save River, Save Life – FY 2017
- Prevent Pollution Protect Rivers – FY 2018
- No to Plastic Yes to Earth – FY 2019
- Flourishing Nature, Nutritious food, Healthy Society (Online)- FY 2021



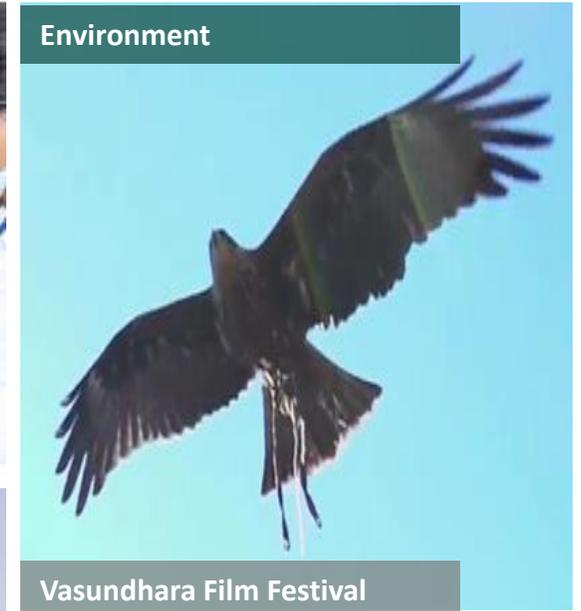
## Sustainable Livelihood

- Vegetable seeds distribution
- Tailoring/ Dress making training
- Diwali paper lanterns making training
- Bindi making training
- Spices making training
- Groundwater recharge initiative for nearby farming zones



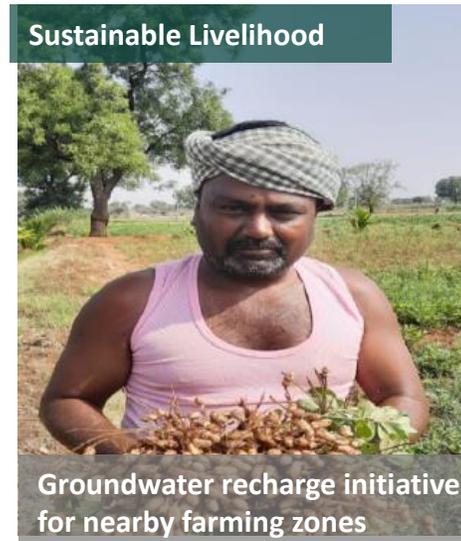
## Health

Free health Camp



## Environment

Vasundhara Film Festival



## Sustainable Livelihood

Groundwater recharge initiative for nearby farming zones



## Education

School bag distribution



# Thank You

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