



GROUP OVERVIEW

February 2023

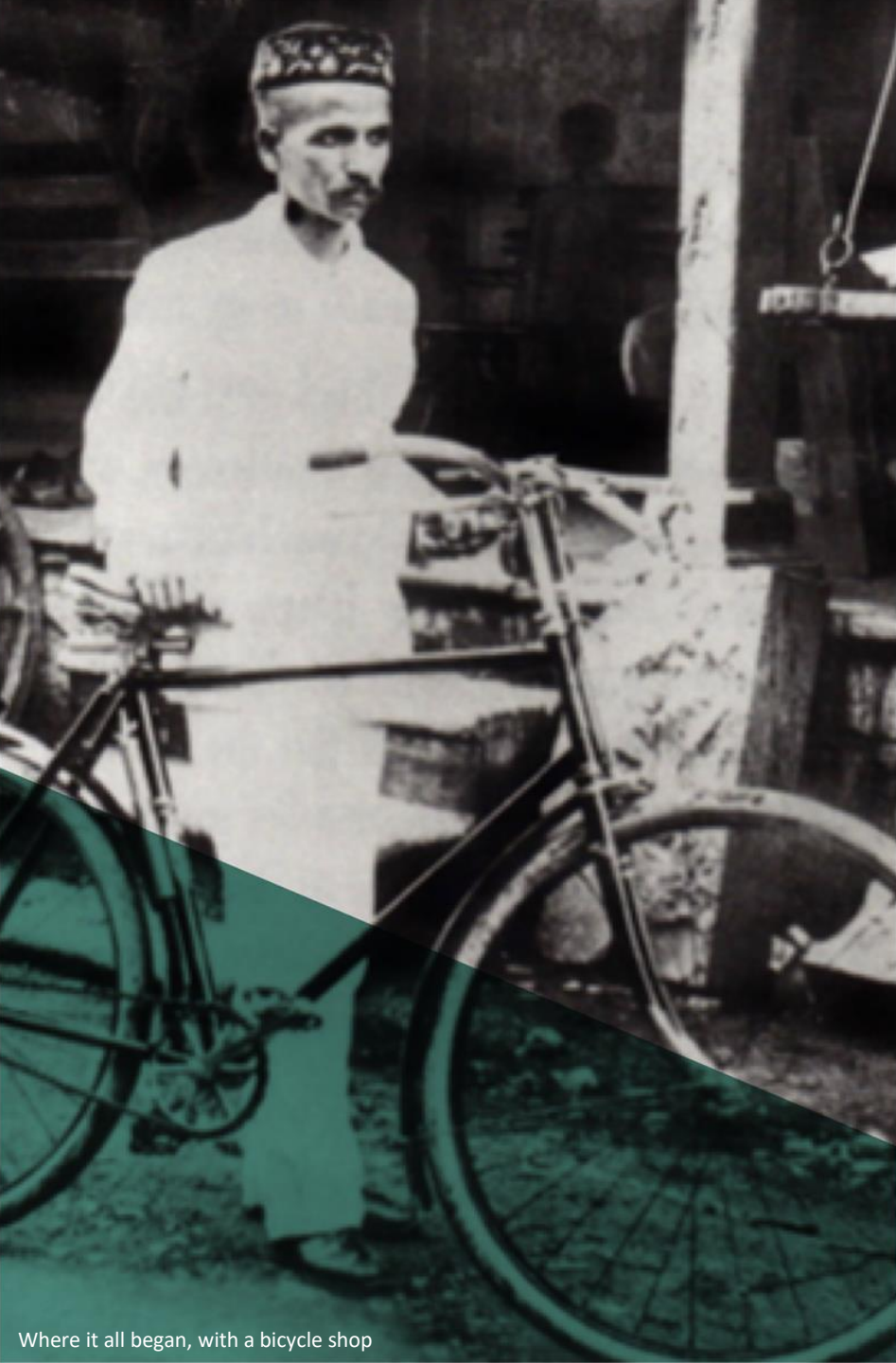
Cautionary Statement

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.”

Please note - USD INR exchange rate of 1 : 82.77 is used through out the presentation



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

1.3

USD billion
Combined
Turnover*

2.2

USD billion
Combined Market
Cap**

865

USD million
Net Worth#

1+

Million gensets
installed across globe

120k

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, 2022.

** Market Cap Based on the closing price of February 23, 2023

Based on the March 31, 2022' results for the listed companies only

Numbers are including ISMT Ltd, effective acquisition date- 10th March 2022.





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





The Group Overview



Financial update & business outlook



Transitioning for future-ready businesses



Sustainability

Agenda

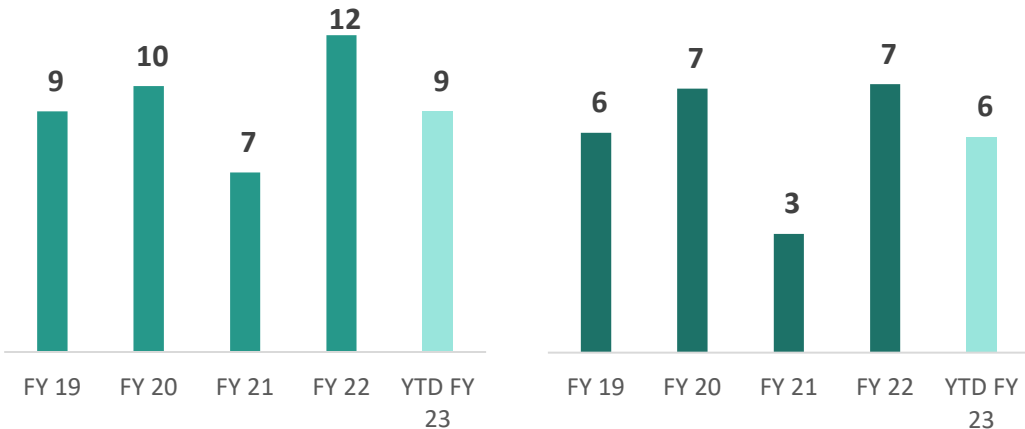


Kirloskar Industries Limited

All amounts USD Million

Total Income#

Net Profit#



Holding structure*

Company name	Percentage of holding
Avante Spaces Limited	100%
Kirloskar Ferrous Industries Limited	50.87%
Kirloskar Brothers Limited	23.91%
S.L. Kirloskar CSR Foundation	19.60%
Kirloskar Pneumatic Company Limited	9.94%
Kirloskar Management Services Private Limited	7.00%
Kirloskar Oil Engines Limited	5.68%
ISMT Limited	4.99%

* As of Dec 31, 2022.

Key Business Updates

- Ongoing windmill operations
- 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

Outlook

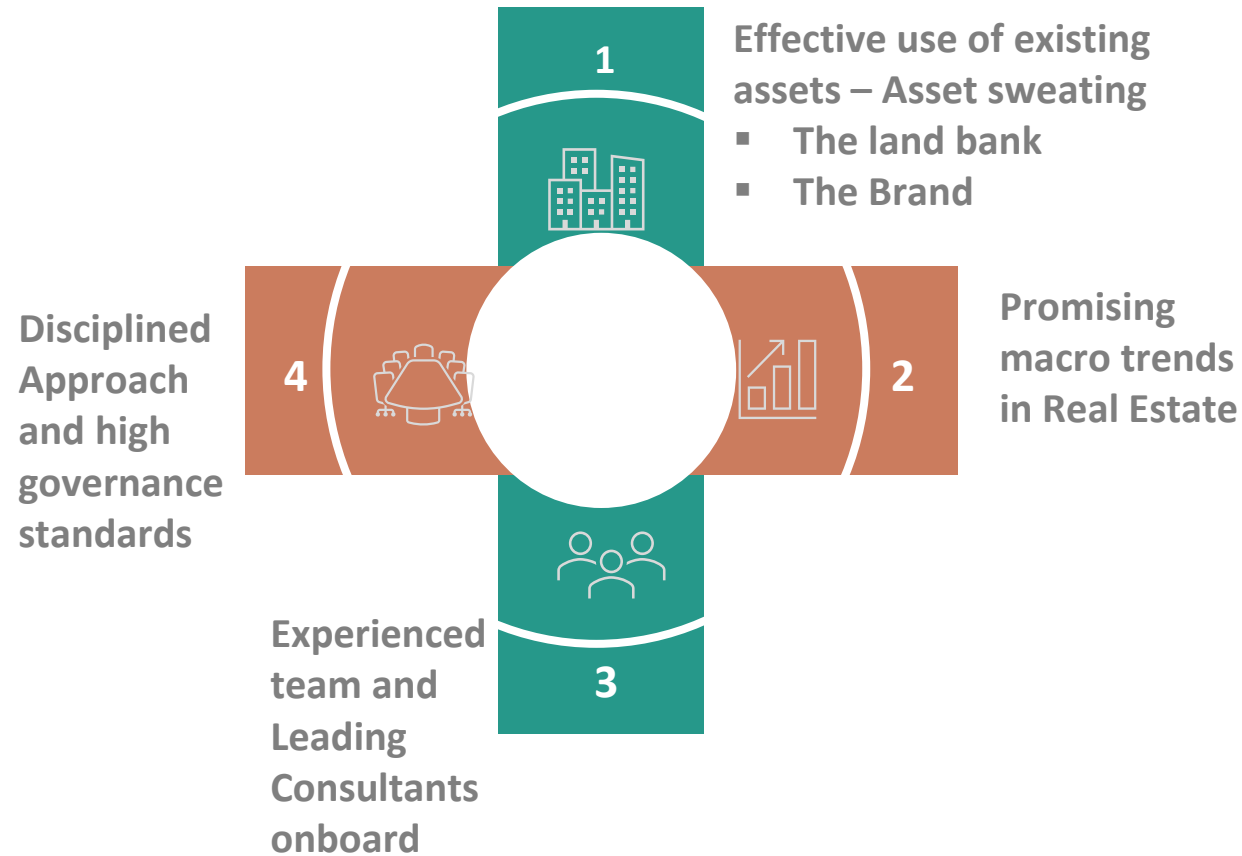
- Developing the real estate arm under the holding company
- Building future-ready smart buildings
- Currently possess 80+ acres between two land banks in Pune

Standalone performance

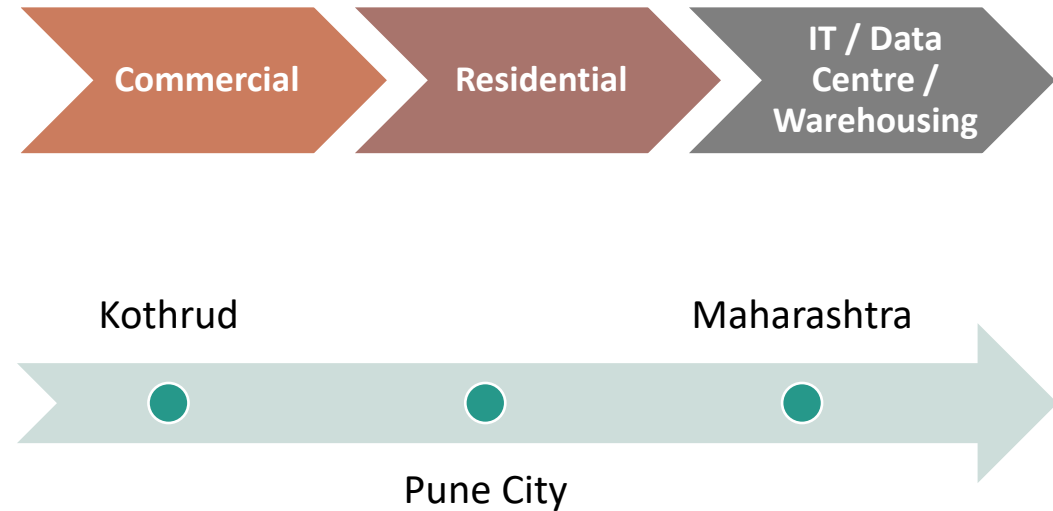
<https://www.kirloskarindustries.com/>



Kirloskar Group's Diversification in Real Estate Business



Market segment and Location Focus



Funding Update

- Preferential allotment of Warrants convertible into equity shares of KIL to Mr. Atul Kirloskar and Mr. Rahul Kirloskar proposed on 11th February 2023
- Consideration – USD 12 M (INR 1 Billion)

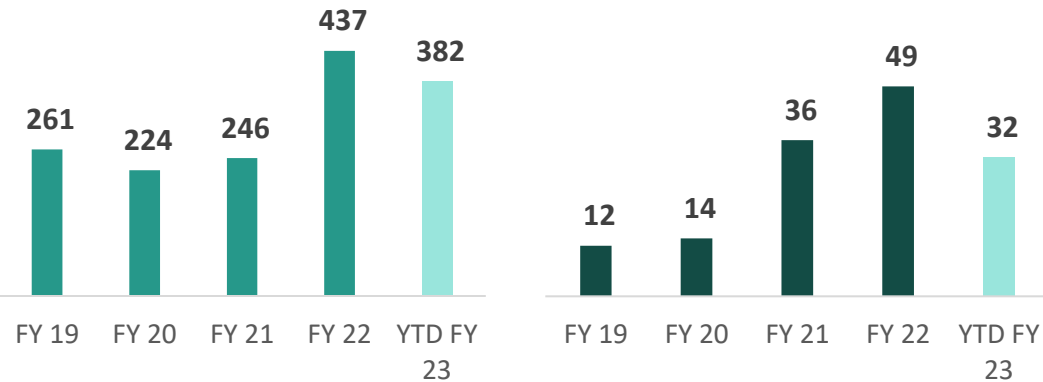


Kirloskar Ferrous Industries Limited

All amounts USD Million

Revenue#

Net Profit#



Key Business Updates

- Iron ore mines to machined castings – Fully backward integrated operations
- Investment in foundries at Solapur and Koppal
- 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

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

- Turnaround of ISMT
- Further expansion of both foundries
- Target of 1 billion USD turnover

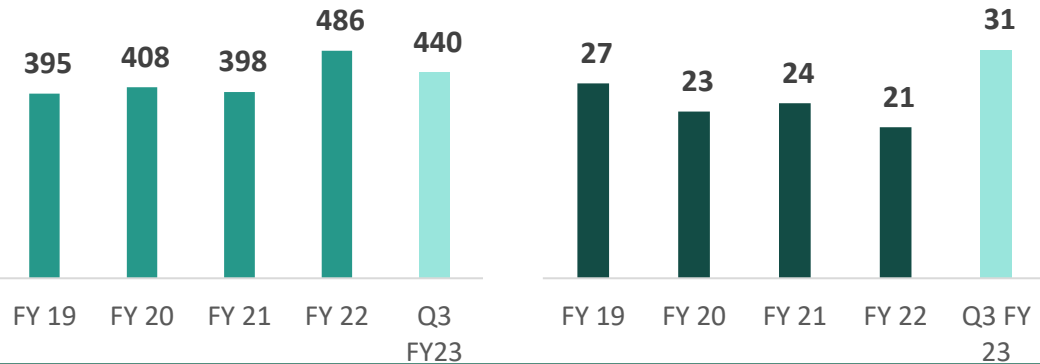


Kirloskar Oil Engines Limited

All amounts USD Million

Revenue#

Net Profit#

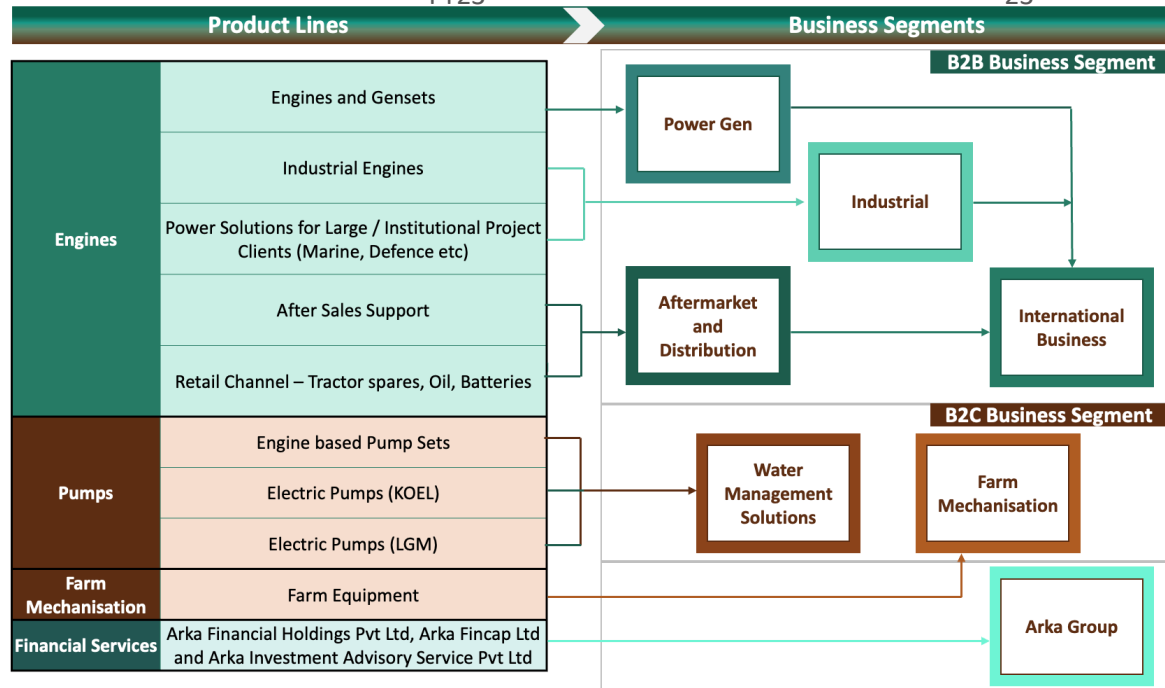


Highlights

- 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



Consolidated performance

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



— Products and Customer Segments

Product

Downstream Usage

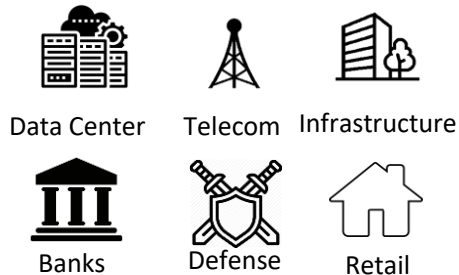
Customer Segments



POWER GENERATION

Engines, Gensets, Backup Solutions, across a wide range of power output from 2 kVA – 1500 kVA

Across the industries to provide power and backup electricity, like Data centers, Healthcare facilities, Emergency Power Operations, Power in remote locations, Reefer containers etc

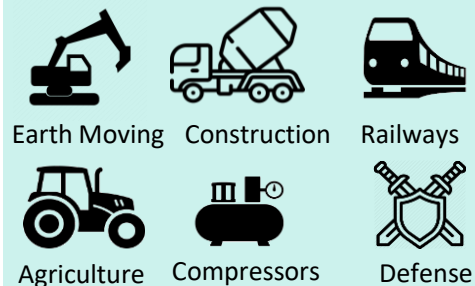


INDUSTRIAL ENGINES

Products from 20 hp to 750 hp in the Industrial Engine space globally

85+ Industrial applications across six sectors-

- Earth moving
- Construction
- Material handling
- Firefighting & Other Pump sets
- Agriculture
- Other Niche applications



WATER MANAGEMENT SOLUTIONS

1100 plus models of pumps using various energy sources from 3” to 11”

Range to cater to various customer needs across segments like Retail, Industrial, Agriculture. Backward integrated with inhouse capability for winding wires manufacturing and forward integrated with allied products like cables and pipes



FARM MECHANISATION

Fit for market farm mechanization equipments catering to the agriculture segment

Products that are designed to the mostly unorganized agriculture segment in India. Sales, service channels optimized to the sector that it caters to. Products range from tillers, weeders, brush cutters etc



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

USD 460 million

**ASSETS UNDER
MANAGEMENT**

USD 139 million

NET WORTH

PRESENCE IN

15

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

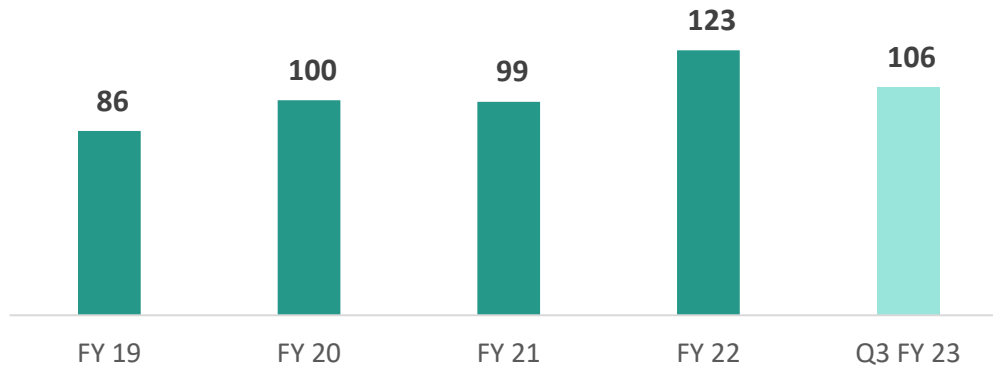
As of Dec 31, 2022



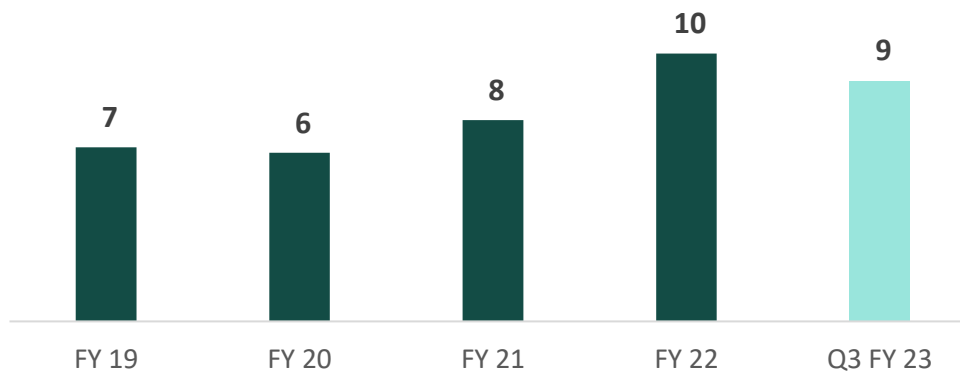
Kirloskar Pneumatic Company Ltd

All amounts USD 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

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





The Group Overview



Financial update & business outlook



Transitioning for future-ready businesses



Sustainability

Agenda



Brand Refresh

- Brand Kirloskar refreshed with a new logo and new business vision: limitless; on 16th 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
KIL	55%	3 out of 5
KFIL	50%	3 out of 6
KOEL	55%	4 out of 5
KPCL	67%	4 out of 6
ISMT	50%	5 out of 11

As on Dec 31, 2022



Experienced Leadership



Atul Kirloskar
Chairman – KIL,
KFIL, KOEL



Rahul Kirloskar
Chairman –
KPCL, ISMT



Mahesh
Chhabria



Vinesh Kumar
Jairath



R. V.
Gumaste



Nishikant
Ektare



Gauri
Kirloskar



Vimal
Bhandari



K.
Srinivasan

Managing Director
KIL

Managing Director
ASL

Managing Director
KFIL

Managing Director
ISMT

Managing Director
KOEL

Managing Director
ARKA

Managing Director
KPCL



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





The Group Overview



Financial update & business outlook



Transitioning for future-ready businesses



Sustainability

Agenda



Kirloskar Group Sustainability Efforts

Purpose-led ESG Approach ‘To create a sustainable and limitless future through Innovation, Inclusion, and Integrity’

E Environment*

Emissions and Energy

- 5.5 MWp Captive solar plant at KOEL Kagal plant (addl. 2.68 MWp under installation)
- 34% Renewable energy share at KOEL Kagal facility
- 445.18 MWh energy conserved at KPCL
- 3% Reduction in Carbon Footprint at KFIL
- KFIL is ISO 14001:2015 Certified

Resource efficiency

- Plastic waste to fuel plant within campus of 125 Kg/Day; 8246 lit poly fuel generated at KOEL Kagal
- 47.61 tons scrap reused; 28.89 KL oil recovered; 14814 kL water recycled at KPIL
- 210,059 kL rain / storm water collected & reused

Biodiversity

- 61.47 Ton Carbon sequestered in KOEL Kagal through tree plantation

S Social*

Health and safety

- 1.12 Lost time injury rate (LTIR) at KFIL
- Zero Accidents reported across all plants for KOEL

Community

- INR 14.5 Million CSR spends by KPCL with a 95.4 CSR satisfaction index
- 19,530 People benefited through CSR activities by KFIL; 4.53 Crore Spent on CSR; 42 Employees Volunteered
- 93% Customer satisfaction score at KFIL

Supply chain

- Preferential Procurement of materials from local and MSME suppliers

G Governance*

Business ethics

- Focus on group core values in day-to-day operations
- Code of conduct and ethics is in place
- Equal opportunity and treatment

Reporting

- KFIL, KOEL, and KPCL moving to integrated report format
- KIL, KFIL, KOEL, and KPCL publish Business Responsibility report
- KOEL publishes sustainability report

Innovation

- Patents - 3 filed, 1 granted, 3 - Research publications, 1 Trademark by KPCL
- Patents - 7 filed, 7 in process, ~10 new products introduced by KOEL

* Indicative list of projects and initiatives



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

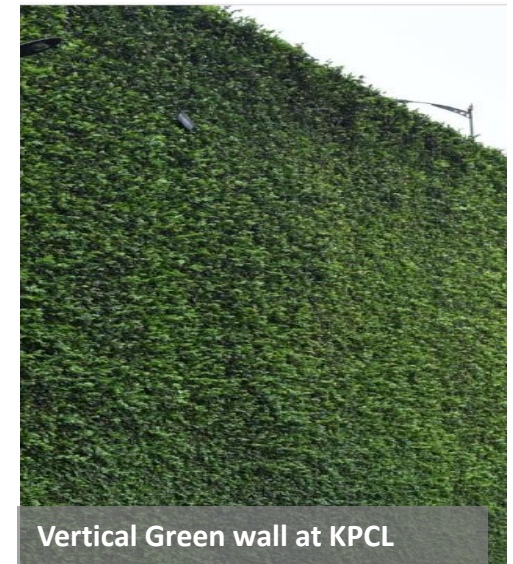
KPCL's

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 KIL



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



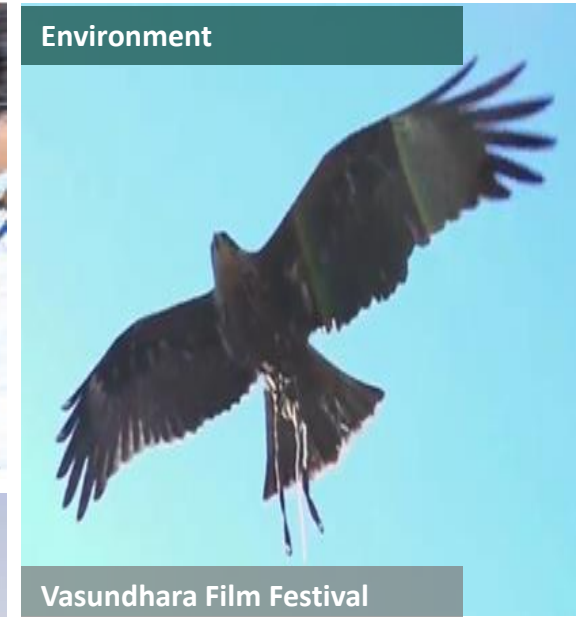
Sustainable Livelihood

- 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
