

Building the Future

kirloskar
Industries



Investor Presentation

February 2024

<https://www.kirloskarindustries.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."
- "Avante" refers to "Avante Spaces Limited."

Our Values



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

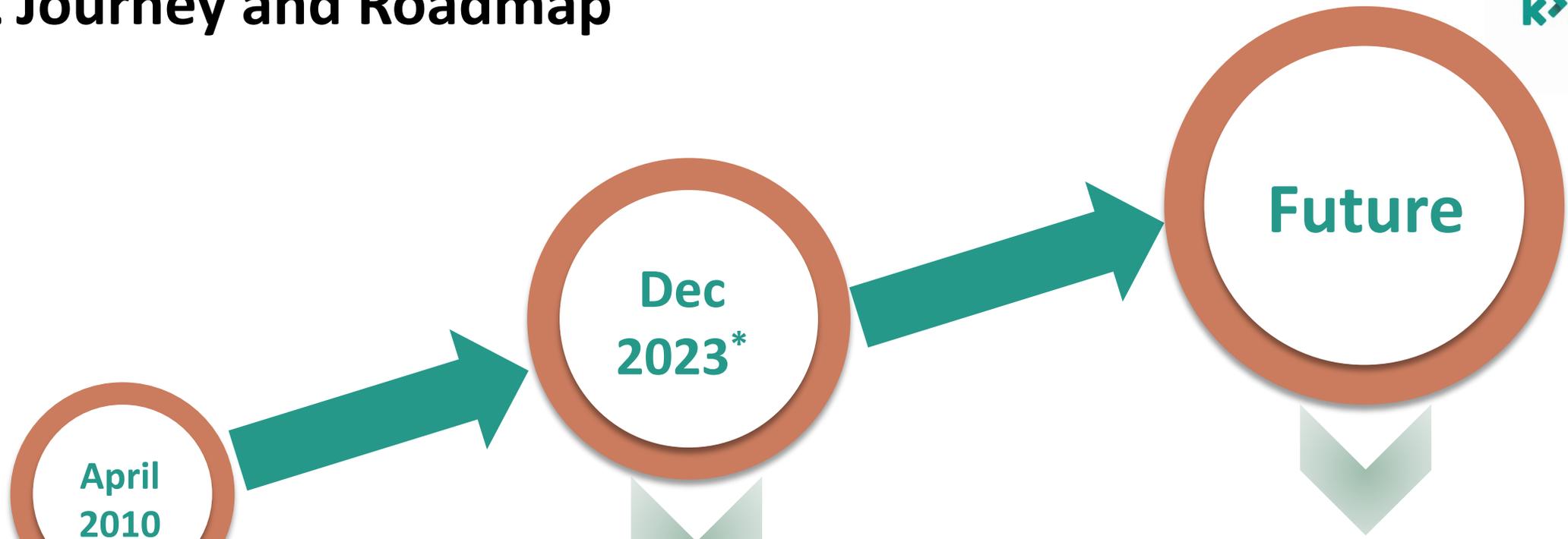
We're building for a shared prosperous future



INNOVATIVE THINKING

Be bold and brave, & stay relevant

KIL Journey and Roadmap



Kirloskar Oil Engines demerged:

- KOEL – Operating Business
- KIL – Holding Company

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.

AVANTE **kirloskar**
Ferrous

Wholly owned subsidiary –
Real Estate Development

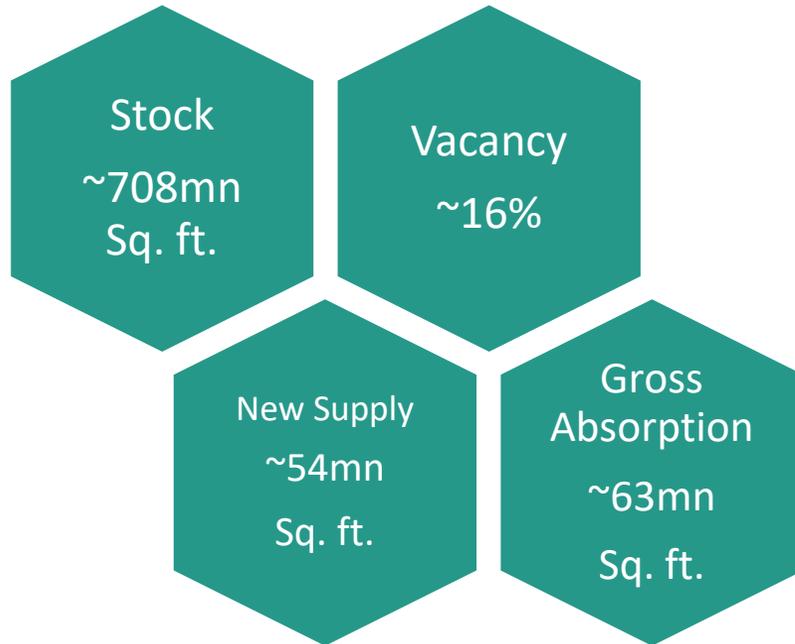
Subsidiary: 50.72% stake

- Strategic stake in Group Companies
- Development of own properties

***Note:** BTA signed for Windmill Ops – in process of transferring it to ISMT Ltd. (KFIL)

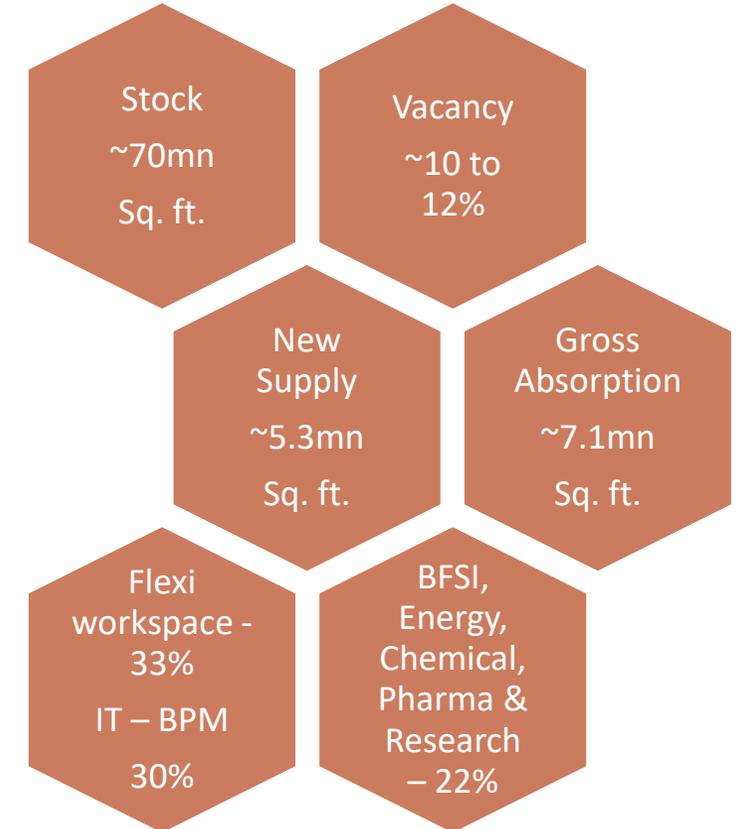
Key RE indicators – Offices

India



Banking, financial services and insurance (BFSI) firms and technology corporates led the space take-up in **2023**, followed by engineering & manufacturing (E&M) companies and flexible space operators. Global Capability Centres (**GCCs**) are drivers for Office Market.

Pune



India



- Residential sales at a 10 year high, despite inflationary pressures, elevated policy rates – costly mortgages
- The demand for projects in the mid range category (INR 4.5mn to INR 20mn) is projected to remain strong, aligning with the trends of the past couple of years
- Residences in the premium and luxury segments (INR 20mn and above) to continue experiencing healthy growth
- Reputable and Corporate Developers continue to see better traction and are able to capitalize on the brand value

Key RE Indicators – Pune Offices

Office Market Snapshot

Total Inventory – Offices*		Cushman Wakefield		Savills	Est. supply by 26-27
Area	Mn. Sq. Ft.	Vacancy	Avg. Rental INR psft	Rent Range INR psft	Mn sq. ft.
CBD	4.65	1.36%	112.42	80 -135	4
SBD East	36.02	6.37%	102.02	65-105	16
SBD West	9.66	9.23%	88.68	60-95	4

CY23 (in Mn Sq. Ft.)		Cushman Wakefield	Savills
Supply		5.7	6.3
Leasing Volume		9.7	
Absorption		5.6	5.7
Vacancy		10.81%	12.40%

*Total Inventory of commercial / office spaces is approx. 78mn sq. ft.

CBD: Laxmi Road, Camp, Bund Garden, Boat Club, Koregaon Park, Dhole Patil Road, Pune Station, Shivaji Nagar, FC Road, JM Road, Wakdewadi, SB Road, Model Colony, Ganeshkhind Road

SBD East: Kalyani Nagar, Kharadi, Mundhwa, Yerwada, Nagar Road, Viman Nagar, Hadapsar, Kondhwa;

SBD West: Aundh, Baner, Pashan, Khadki, Paud Road;



AVANTE
Avante Spaces Limited

Projects in Kothrud - Layout



Projects in Kothrud – Brief details

Rs. In millions

Project*	Location	Saleable /Leasable Area	Est. Total Cost ^	Cost Incurred till 31 st Dec'23	Area Sold	Area Sold Value	Tentative Completion Date	Construction Update – Google map location
One Avante	Kothrud, Pune	0.18mn	2,177	1,592	0.12mn	2,331	2024	https://goo.gl/maps/KS9MGFg2t9wcS2zh8
Project 2	Kothrud, Pune	1.56mn	17,390	3,790	NA	NA	2027	https://goo.gl/maps/73zrfxrpsvEtyJi29

- Green certifications: IGBC Platinum and LEED Gold
- Adopting the WELL building standards
- Adaptive designs
- ☐ Project 3 in Kothrud, awaiting clarity on regulatory clearance

* Including announced projects only | ^ Land cost taken at Government Valuation in Estimated Total Cost

One Avante – 1st Commercial Building



RERA Regn. No. P52100049092

Rs. In millions

Particulars	Sold Area	Retained Area	Total
Saleable Area	120,042	56,499	176,541
Sale value	2,331	989	3,320
Total cost	1,480	697	2,177
Estimated Gross Surplus	851	292	1,143

1. Retained Area value is notional, calculated at Rs. 17500 psft and area will be owned and held by Avante
2. For common amenities and facilities provided in the “One Avante” Building – 43,796 sq. ft. leasable area, Avante will charge fees to all the occupants of the building
3. For the part area to be rented on Avante’s own Floor – rent will be approx. ₹ 11 Lacs/month

Project 2 – Mixed use Commercial Building

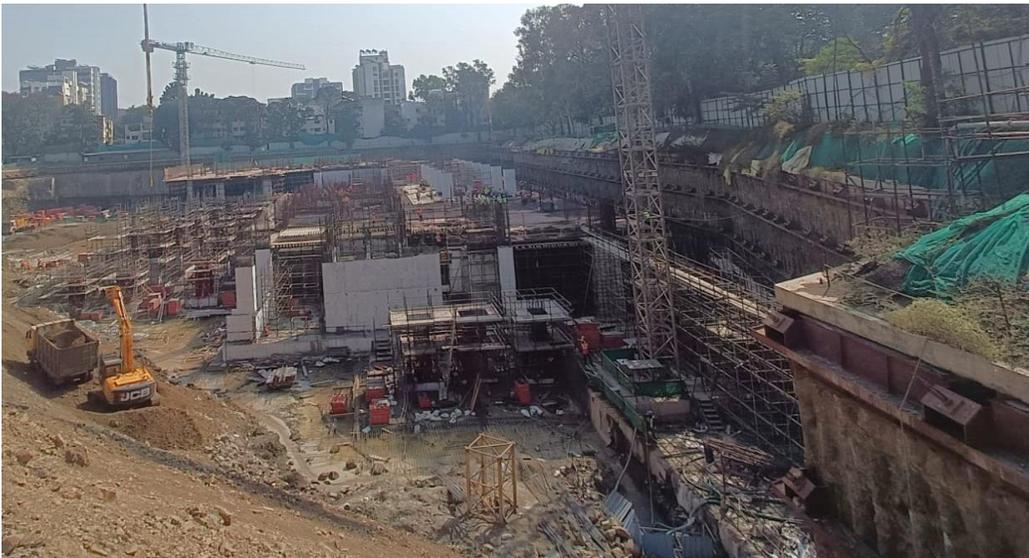
Rs. In millions



Particulars	Area Sqft	Starting Rent Rs PSFT/mth	Est. Rent per month
Office	14,56,605	93	135.5
Retail / Restaurants	1,07,944	141	15.2
Total	15,64,549		150.7
At 90% occupancy			135.6

- **Est. completion:** 2nd QTR of CY27
- **Revenue Assumption:** Rent starting from **Sep'27**
 - Present rent for Office – Rs. 83 PSFT
 - Present rent for Retail / Restaurants – Rs. 125 PSFT
 - **Escalation** – 4% per annum
 - **Peak occupancy** – 90% for both segments
- **Expected project debt** of ~INR 10 Billion

Project 2 – Actual Progress



B1 Level

B2 Level

B3 Level

Raft

RCC Substructure

Asset Light Model – Residential and Commercial development opportunities via JV, JDA, DM



Integrated Development on 75 Acres land in Khadki, Pune owned by KIL (Holding Co.)



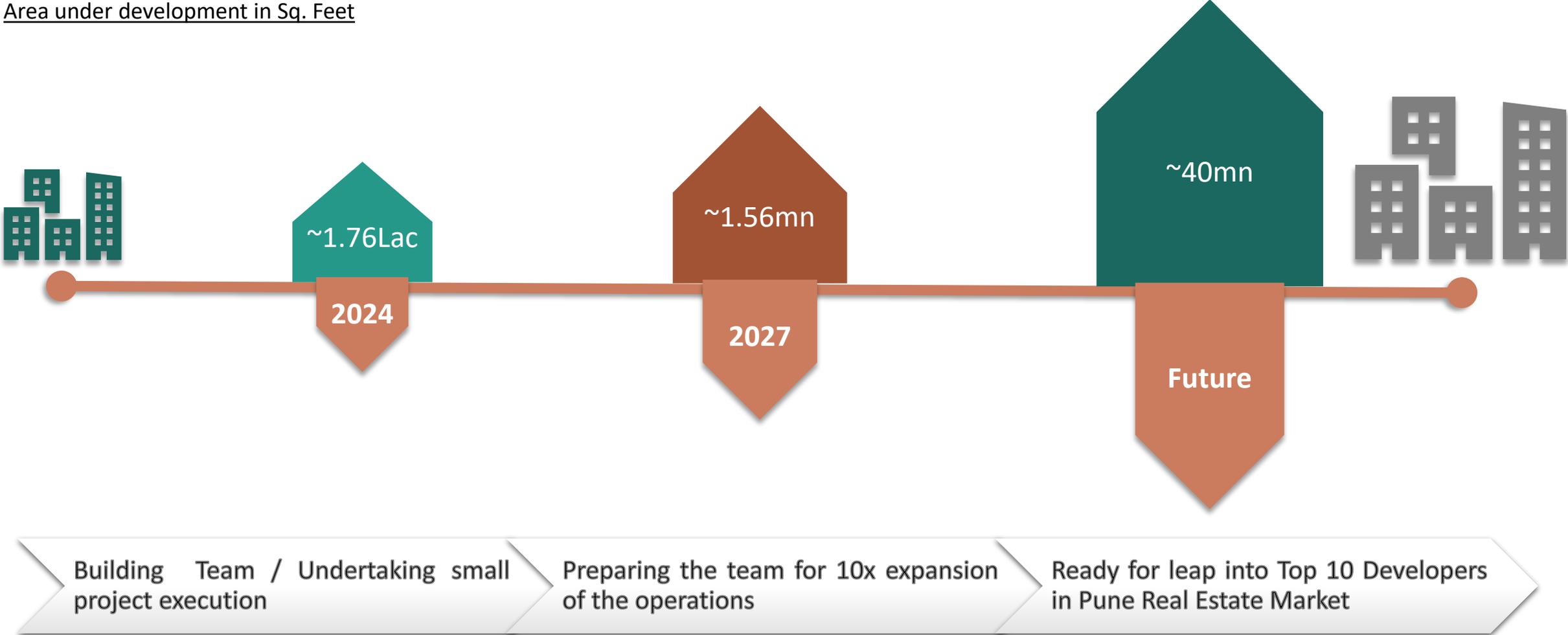
Explore Group Company land parcels' in Pune and other cities for development



Explore opportunities for development in other major cities of Maharashtra

Avante – Building the Future...

Area under development in Sq. Feet



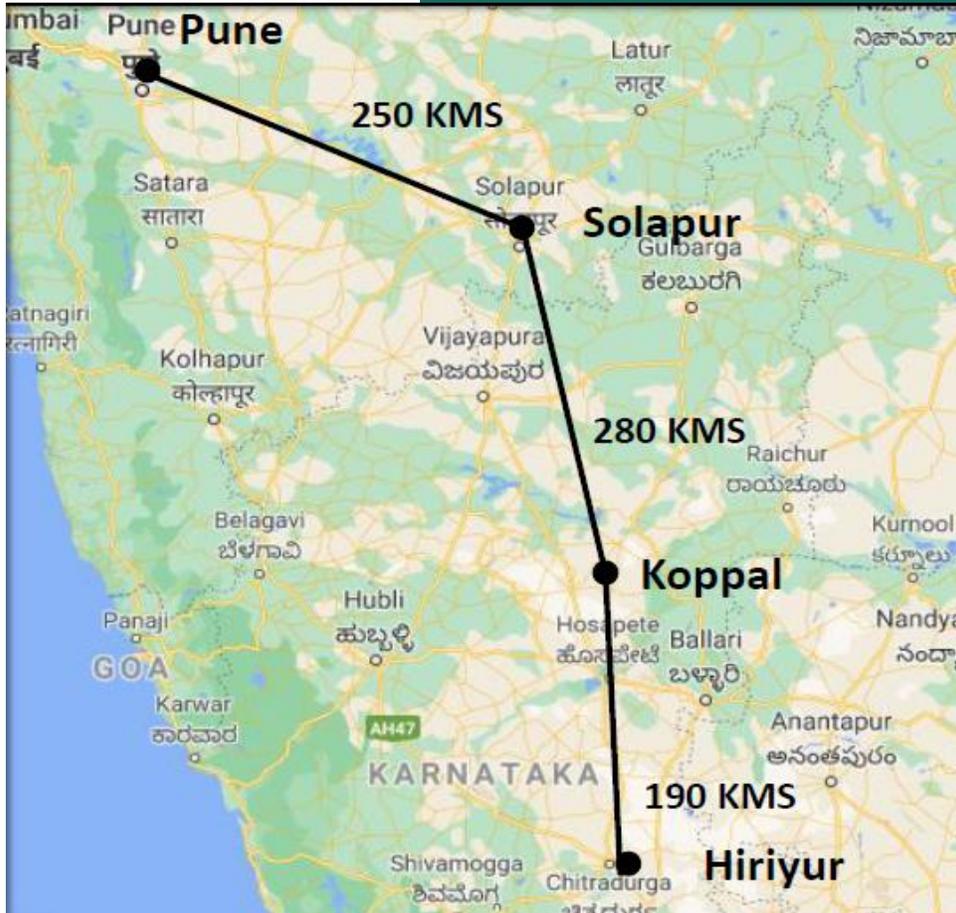


kirloskar
Ferrous

Kirloskar Ferrous Industries Limited

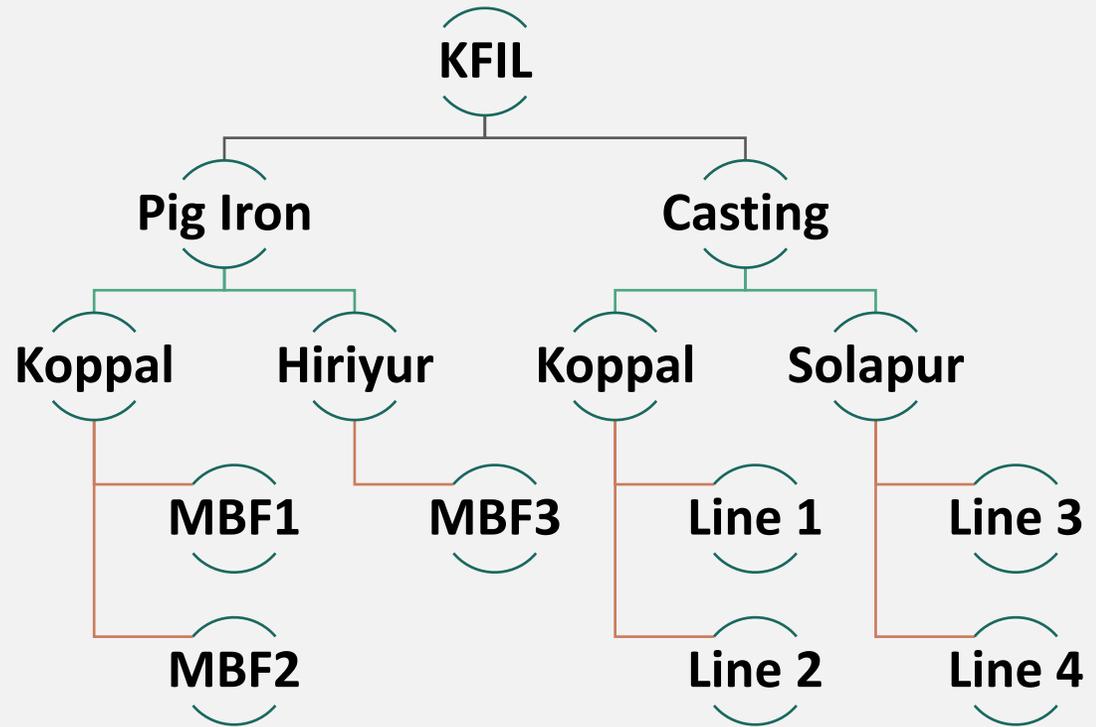
About KFIL

It takes the strength of iron to build a robust dream



Pune – Corporate Office,
Koppal: works I ,
Solapur: works II,
Hiriyur –works III Hiriyur

3	1,604	~180,000 Ton	~700,000 Ton
MANUFACTURING FACILITIES	EMPLOYEE STRENGTH¹	IRON CASTINGS CAPACITY PER ANNUM	PIG IRON CAPACITY PER ANNUM



About ISMT

~300,000 Ton

**STEEL CAPACITY
CAPACITY PER ANNUM**

~250,000 Ton

**SEAMLESS TUBES
CAPACITY PER
ANNUM**

ISMT Advantage

Only Integrated manufacturer of Steel & Tubes in the Asia Pacific region Own steel mill advantages-

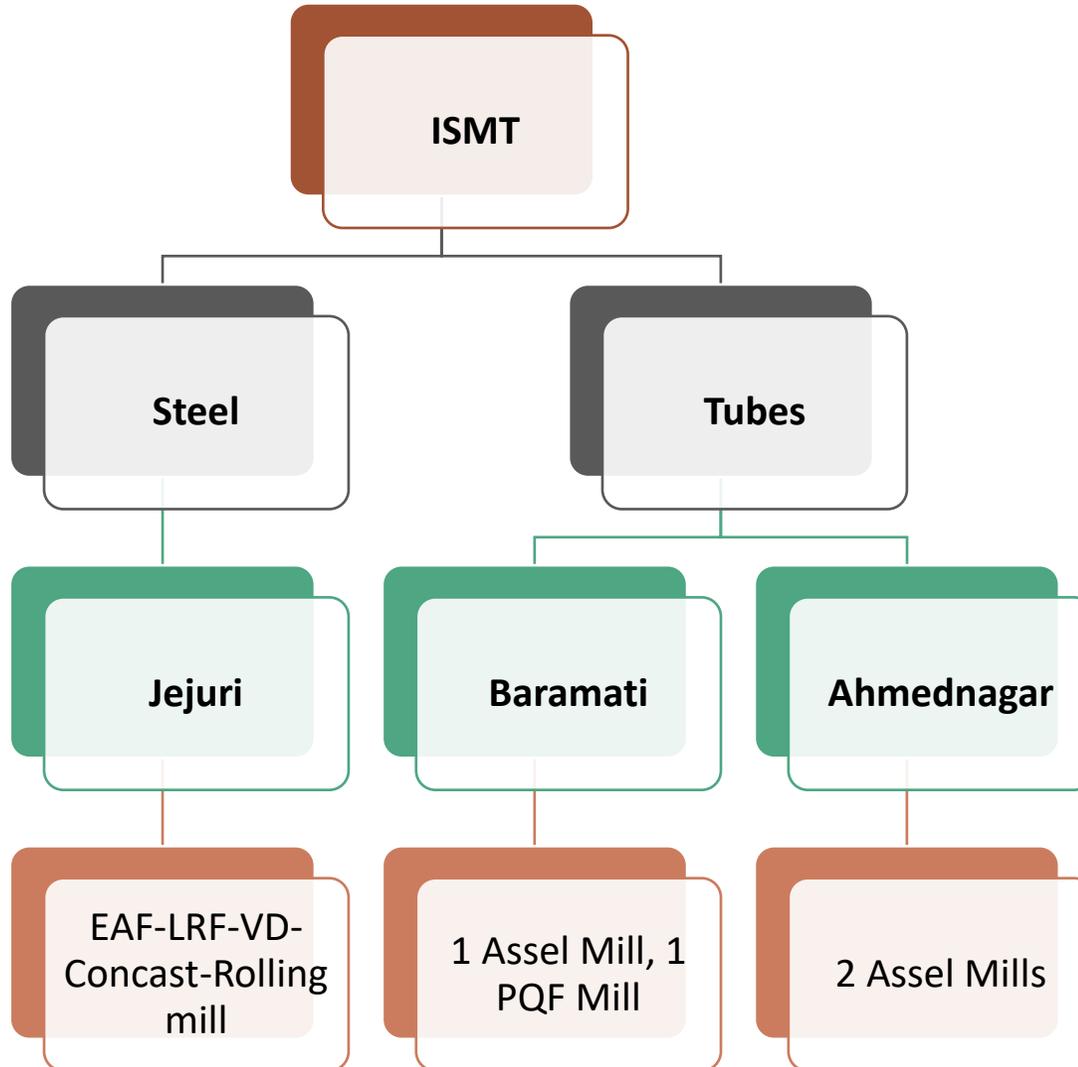
- Quick response to changes in steel specification
- Customization & fine tuning of steel intrinsic quality
- Close & real time control on steel parameters
- Flexibility in scheduling & delivery of raw material to tube plant
- Continual improvisation of steel quality

Expertise in manufacturing of Bearing steel & tubes over past 4 decades.

Quick response to customer feed-backs, customer product & process changes

Short delivery cycles

Quality Capacity ahead of demand cycle



KFIL - Business Performance

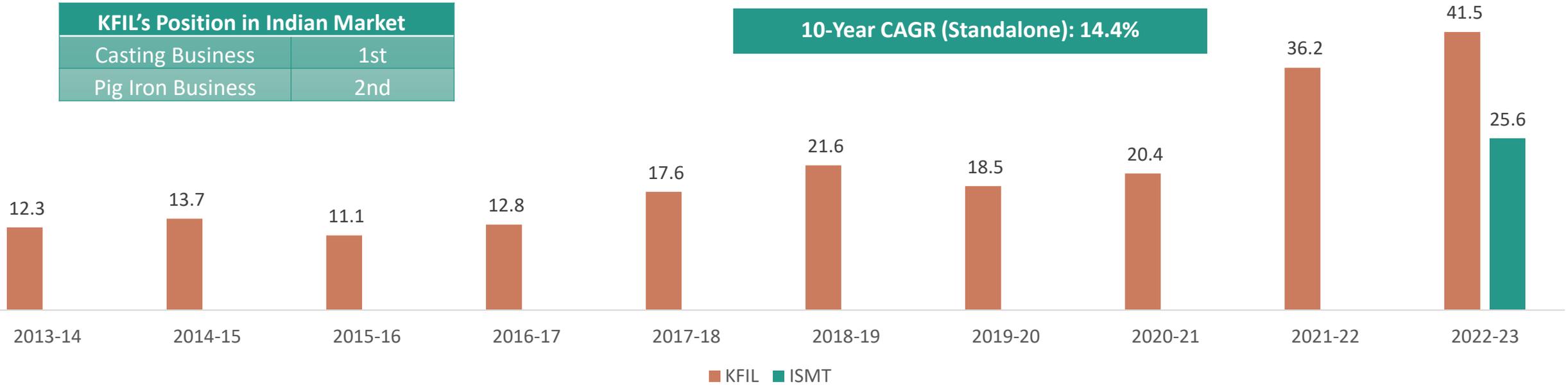
KFIL's Position in Indian Market

Casting Business	1st
Pig Iron Business	2nd

Sales

10-Year CAGR (Standalone): 14.4%

All amounts in INR Billion



Macro Environment

- Continued pressure on the input commodity prices
- Sluggish performance in the tractor industry, however encouraging support received from other sectors like Infrastructure and Auto

Business Operations

- Oliver (Rajpura) refurbishment activities on track
- Solar Power plant and pulverized coal injection expected to commission in Q4 FY 24
- ISMT merger with KFIL in process

KIL - Abridged Consolidated Profit & Loss Statement

All amounts in INR Billion except per share data

Particulars	YTD FY24	FY 22-23
Revenue from Sale of Products (incl. Discontinued Ops)	46	64
Interest Income	0.09	0.1
Net gain on fair value changes	0.08	0.04
Dividend Income	0.13	0.31
Total Revenue from Operations	46	65
Total Other Income (Incl. Leasing)	0.35	0.7
Total Income	47	65
Total Expenses (incl. exceptional items)	42	59
PBT	4.4	6.58
PAT	2.9	4.6
Basic EPS (Rs.)	130.58	228.49
Diluted EPS (Rs.)	125.66	223.23

Note: Dilutive EPS is calculated considering the potential conversion of outstanding warrants and ESOPs/ESARs

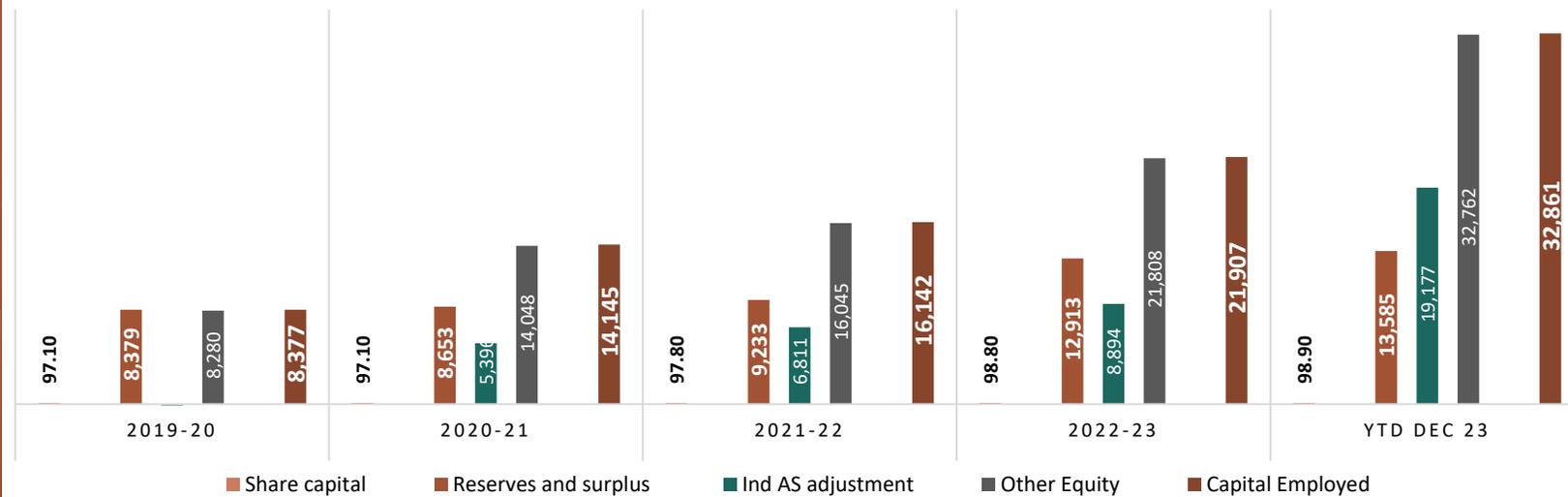
KIL - Abridged Consolidated Balance Sheet

All amounts in INR Billion

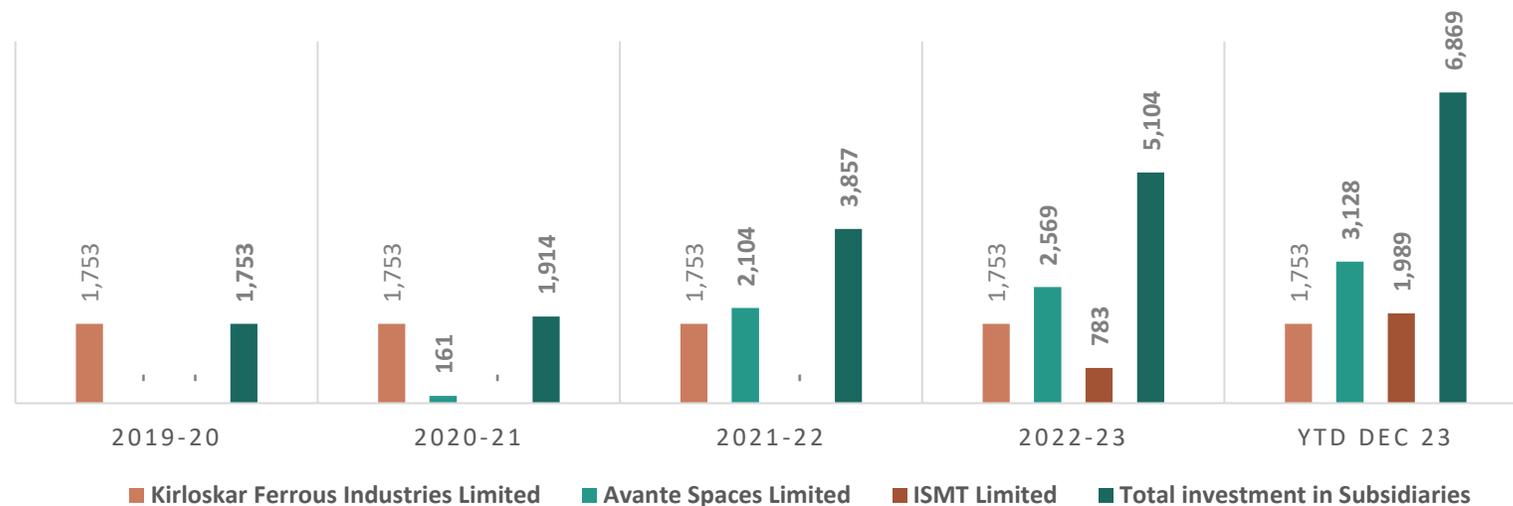
Particulars	YTD Dec 23	FY 22-23
Fixed Assets	37.56	35.30
Investments	27.18	15.75
Other assets	26.37	24.28
Total Assets	91.11	75.33
Borrowings	12.78	9.64
Financial Liabilities	10.41	12.19
Non-financial Liabilities	6.64	4.27
Total Liabilities	29.83	26.10
Equity	0.10	0.10
Reserves and surplus	20.01	18.73
Other equity	22.16	11.90
Non-controlling interest	19.01	18.50
Total Equity	61.28	49.23
Total Liabilities and Equity	91.11	75.33
Book value per share (INR)	6,195	4,981

All amounts in INR Million
YTD numbers reflect year to date Q3 FY23

KIL – Evolving Capital Structure

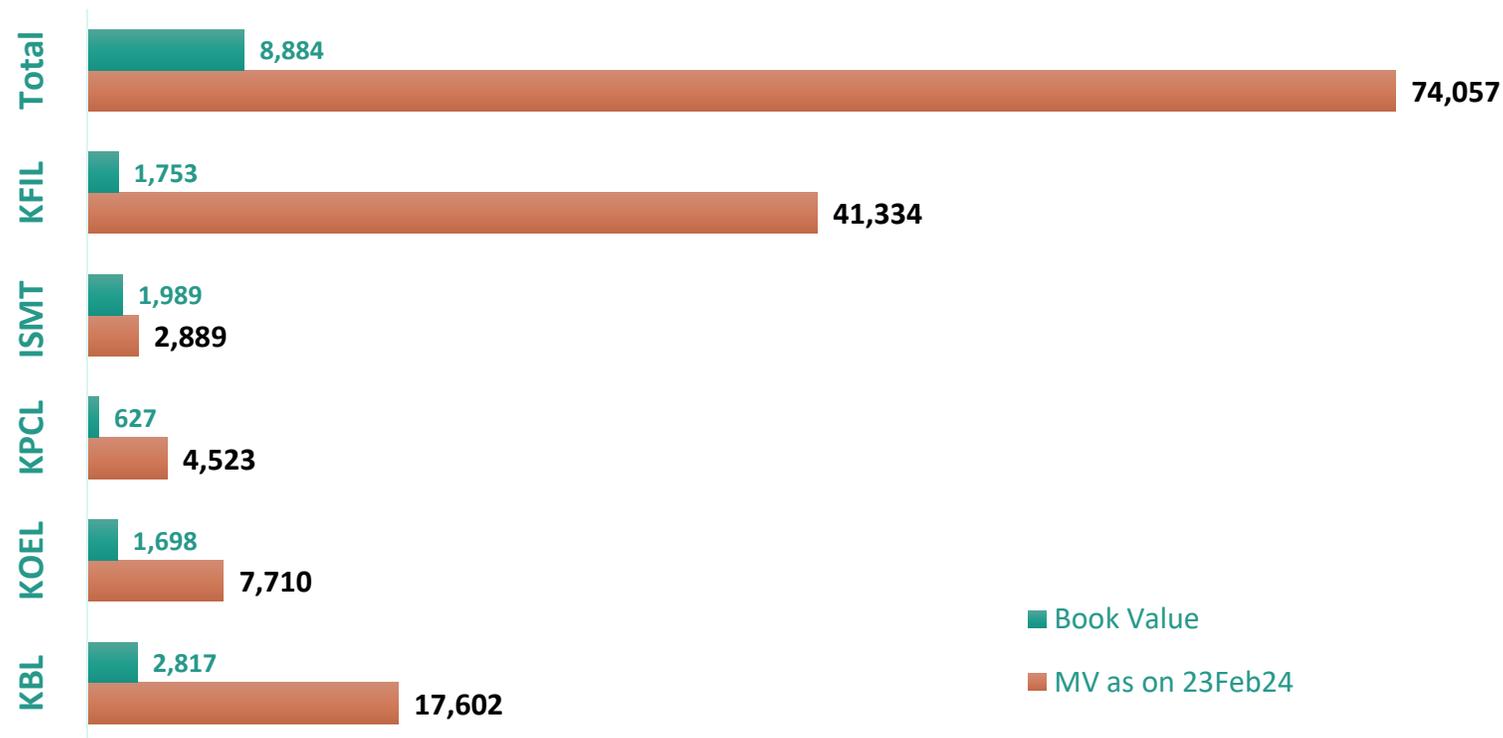


INVESTMENT IN SUBSIDIARIES



All amounts in INR Million
Data updated till 23 Feb 24

Value of Listed Companies



KIL – Listed Investments

- Kirloskar Industries Limited (**NSE:** KIRLOSIND | **BSE:** 500243 | **ISIN:** INE250A01039)
- Price as on 23/Feb/24: **INR 4,118.00**
- KIL Investment in Listed entities – Aggregate Book value 8884mn - Market value is ~Rs. 7,4057mn

Leadership Team



Mahesh Chhabria
MD, KIL



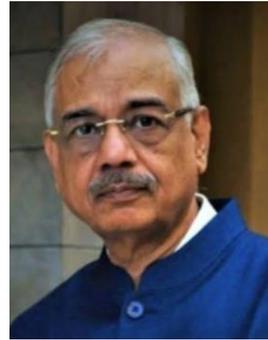
Vinesh Kumar Jairath
MD, Avante



Aditi Chirmule
Executive Director



Anandh Baheti
CFO



Chandrahas Charekar
VP Liaison & Strategy



Lokesh Gupta
VP Projects



Akshay Sahni
VP Asset Mgt



Jagdish Purandare
Head HR

Thank You.

