

ANNUAL REPORT 2021-22



LIMITLESS

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Performance in FY 2021-22

Gross Sales

₹3,268 Crore

EBITDA

₹269 Crore

PBT

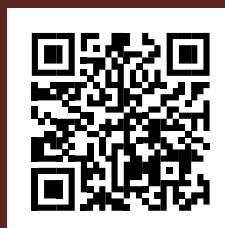
₹263 Crore

PAT

₹208 Crore

All numbers rounded off to the nearest rupee

For more information, please, visit our [website](https://www.kirloskaroilengines.com):



About the Report

We are pleased to present our Annual Report which includes voluntary information to the extent available to us, in accordance with reporting framework developed and designed by International Integrated Reporting Council (IIRC). This report is primarily intended to address the information requirements of investors (our equity and prospective investors). Our endeavor is to present this information in a manner that is also relevant to all the key stakeholders. This report also aligns with following:

- The Companies Act, 2013
- Indian Accounting Standards
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Scope and Boundary

This report covers information on all business operations of Kirloskar Oil Engines Limited, including disclosures through six capitals as defined by International Integrated Reporting Council (IIRC). This report describes our business model, significant risk, opportunities and overall performance and related outcomes. The parameters for the financial capital covered in this report are in relation to "Kirloskar Oil Engines Limited" on standalone basis.

Reporting Period

The major reporting period for the Annual Report is 1st April, 2021 to 31st March, 2022. However, certain portions of the report provide facts and numbers from prior years in order to give readers a complete picture.

Auditors' Reports

To ensure the integrity of facts and information, the financial statements are audited by G. D. Apte & Co., Chartered Accountants and the 'Independent Auditor's Report' has been duly incorporated as part of this report.

Stakeholder Feedback

Stakeholders' constructive participation and feedback are welcomed and appreciated.

Email: investors@kirloskar.com

Website: www.kirloskaroilengines.com

Forward-looking Statements

This report contains forward looking statements that describe our expectations, based on reasonable assumptions and past performance. These are subject to change in light of developments in the industry, geographical market conditions, government regulations, laws and other incidental factors. These statements must not be used as a guarantee of our future performance, as the underlying assumptions could change materially.

Our Capitals



Financial Capital



Manufactured Capital



Intellectual Capital



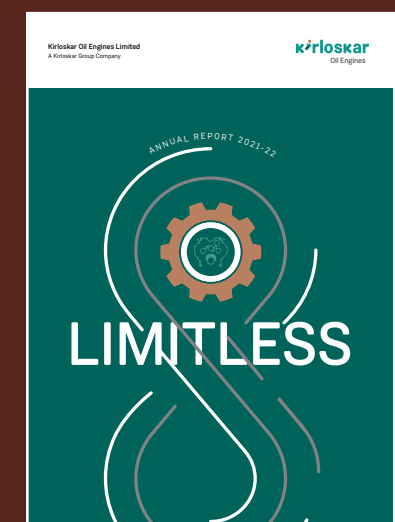
Human Capital



Social and Relationship Capital



Natural Capital



Corporate Information

BOARD OF DIRECTORS

Atul C. Kirloskar - Executive Chairman

Gauri Kirloskar - Non-Executive Non-Independent Director upto 19th May, 2022 and Managing Director w.e.f. 20th May, 2022

Rahul C. Kirloskar

Mahesh R. Chhabria

Vinesh Kumar Jairath

M.Lakshminarayan

Satish Jamdar

Sunil Shah Singh

Kandathil Mathew Abraham

Dr. Shalini Sarin

Yogesh Kapur - Additional Director
(Appointed w.e.f. 29th September, 2021)

Purvi Sheth - Additional Director
(Appointed w.e.f. 19th May, 2022)

Pradeep R. Rathi
(Resigned w.e.f. 9th July, 2021)

Sanjeev Nimkar - Managing Director
(Resigned w.e.f. 27th January, 2022)

Nihal G. Kulkarni - Non-Executive Non-Independent Director
(Resigned w.e.f. 9th February, 2022)

Ajay Bhushan Prasad Pandey - Additional Director
(Appointed w.e.f. 9th March, 2022 and Resigned w.e.f. 21st March, 2022)

Mrunalini Deshmukh
(Resigned w.e.f. 20th May, 2022)

CHIEF FINANCIAL OFFICER

Pawan Kumar Agarwal

CIN: L29100PN2009PLC133351

As a part of our constant endeavor to improve shareholder services, we have initiated a shareholders' satisfaction survey. Please spare a few minutes of your valuable time to fill this questionnaire. The Link is available on the Company's website viz. <https://www.kirloskaroilengines.com/shareholders-survey>

COMPANY SECRETARY AND HEAD LEGAL

Smita Raichurkar

AUDITORS

G. D. Apte & Co., Chartered Accountants

BANKERS

State Bank of India

Bank of Maharashtra

HDFC Bank Limited

ICICI Bank Limited

The HSBC Limited

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited

Block No. 202, 2nd Floor,
'Akshay' Complex, Near Ganesh Temple,

Off Dhole Patil Road, Pune- 411 001

Ph. No. 020 - 26161629 / 26160084

REGISTERED OFFICE

Laxmanrao Kirloskar Road, Khadki,

Pune - 411 003, Maharashtra.

Ph. No. 020 - 25810341

www.kirloskaroilengines.com


LOCATION OF FACTORIES

Pune, Kagal, Nasik, Rajkot and Bhare

Decade at a Glance

₹ in Crore, unless otherwise stated											
Sr. No.	Particulars	Ind AS							Indian GAAP		
		2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
1	Gross Sales#	3,268	2,664	2,841	3,117	2,860	2,818	2,587	2,641	2,475	2,521
2	Net Sales	3,268	2,664	2,841	3,117	2,804	2,614	2,406	2,473	2,287	2,320
3	Profit Before Tax	263	231	225	336	222	252	205	205	243	271
4	Profit After Tax	208	170	170	225	150	174	165	143	178	199
5	Dividend (%)	200	200	200	250	250	250	250	250	250	250
6	Dividend per share (₹)	4	4	4	5	5	5	5	5	5	5
7	Dividend Amount	58	58	58	72	72	72	72	72	72	72
8	Earning Per Share (₹)	14	12	12	16	10	12	11	10	12	14
9	Book Value Per Share (₹)	148	137	126	123	113	112	100	93	88	80
10	Share Capital	29	29	29	29	29	29	29	29	29	29
11	Reserves and Surplus	2,111	1,954	1,801	1,746	1,608	1,588	1,415	1,313	1,238	1,125
12	Shareholders' Funds	2,139	1,983	1,830	1,775	1,637	1,617	1,444	1,341	1,267	1,154
13	Loan Funds	97	78	15	13	17	12	7	-	-	-
14	Total Capital Employed	2,236	2,061	1,845	1,788	1,654	1,629	1,451	1,341	1,267	1,154
15	Net Block	450	446	362	399	422	440	477	514	543	591

#Till 30th June, 2017 Excise duty was applicable and included in Gross sales
All numbers have been rounded off



A vision, powered by values instilled in us for over 133 years, prepares and propels us towards an exciting future. A future shaped by infinite possibilities. A future that is Limitless.

With innovation at the core of everything we do, we engineer for tomorrow, where human progress is always at the forefront. We try to see beyond challenges to the unlimited possibilities that the future unfolds.

We are transforming at a rapid pace, becoming nimbler and more adaptable to the changes around us. We are accelerating the adoption of digitisation and emerging technologies across all facets of our operations, which will hold us in good stead for the foreseeable future.

Our innate resilience enabled us to put up an encouraging performance in FY 2021-22, despite a subdued demand

scenario across national and overseas markets, high input costs and supply chain bottlenecks.

Notwithstanding the odds, our strategic direction is well thought through. We are advancing towards cleaner and greener products and processes and reducing our environment footprint. We are expanding our market share in some of our existing businesses, and also foraying into new market segments, where the possibilities are enormous.

LIMITLESS



We are here to grow sustainably with all our stakeholders, because together we are Limitless.

About Kirloskar Group

Innovators for tomorrow

For over 133 years, the Kirloskar Group has nurtured a legacy of excellence and innovation. 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 of castings, diesel engine manufacturing, backup power solutions, pneumatic packages and cooling solutions, forming the backbone of several industries. With many firsts to our name, we innovate solutions that challenge convention and create a limitless future.

The Group companies are actively present across diverse sectors of agriculture, manufacturing, food and beverage, oil and gas, infrastructure and real estate. The sustainability and profitability of these businesses can largely be attributed to a sense of values woven into their foundation.

Our Group has always worked towards the progress of society, and interestingly the entire story began with an iron plough. Shri Laxmanrao Kirloskar, our founder began his journey by setting up a small bicycle repair shop at Belgaum, Karnataka, India, a hundred years ago. He later developed it into a small-scale machine tool workshop to manufacture iron plough and chaff cutters - one of the many engineering innovations that the Group would pioneer, going forward.

Our founder is recognised today as one of the doyens of Indian industry, and a notable social reformer. At the core, he was an entrepreneur with a passion for innovation that made the lives of people better. His legacy today provides employment to thousands of people in India, and positively impacts the lives of millions of people in India and around the world.

133+ Years
Of engineering excellence

05
Listed companies

₹10,533 Cr
Combined market cap*

₹7,158 Cr
Combined net worth of the Group*

6,500+
Employees across the group companies

Embracing transformation

As a Group, our transformation has been marked by the introduction of Industry 4.0 and extraordinary technological advances like the Internet of Things (IoT), artificial intelligence, 3D printing, robotics and nanotechnology, among others.

The Group, with a firm focus on the future, is evolving to deliver solutions that are driven by innovation and create new growth avenues. Being at the forefront of building products and solutions that bring engineering excellence to our customers, the Group is aware of its responsibility to conserve non-renewable resources and implement more sustainable business practices.

*Market cap based on closing market price of 31st March, 2022.

*Listed companies include Kirloskar Ferrous Industries Ltd., Kirloskar Industries Ltd., Kirloskar Oil Engines Ltd., Kirloskar Pneumatic Company Ltd. and Indian Seamless Tubes Ltd. (ISMT).

*ISMT effective acquisition date 10th March, 2022.

KOEL at a Glance

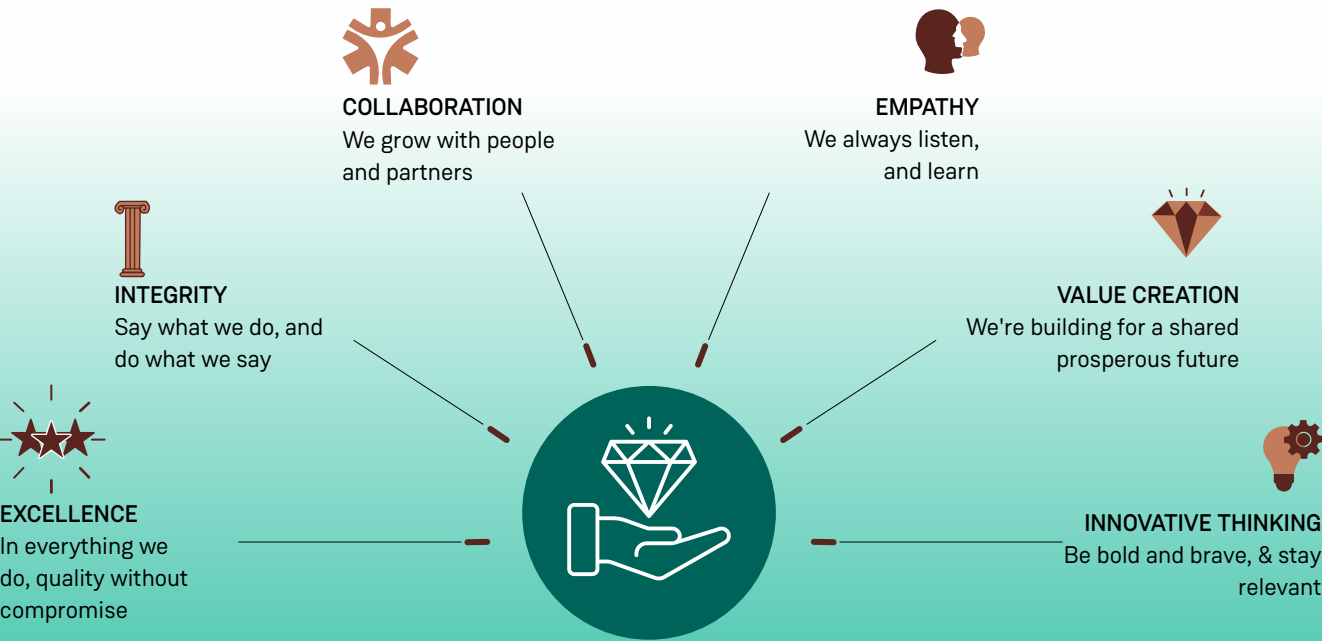
Harnessing
limitless potential

Kirloskar Oil Engines Limited (KOEL) is one of the world’s largest genset manufacturers, specialising in products that cater to a diverse pool of customers.

As a flagship company of the Kirloskar Group, we are one of India's largest diesel genset manufacturers with dominant market leadership. We develop and offer indigenous engines

for agriculture, genset and industrial off-highway equipment segments. Our wide range of products, from 2.5HP to 740HP engines to diesel gensets with a power output of 5kVA to 1,500kVA, serve a large

set of customers. Our strong engineering capability is built on the foundation of our state-of-the-art research centre, enabling us to create unique value for our customers through new products.



Key highlights

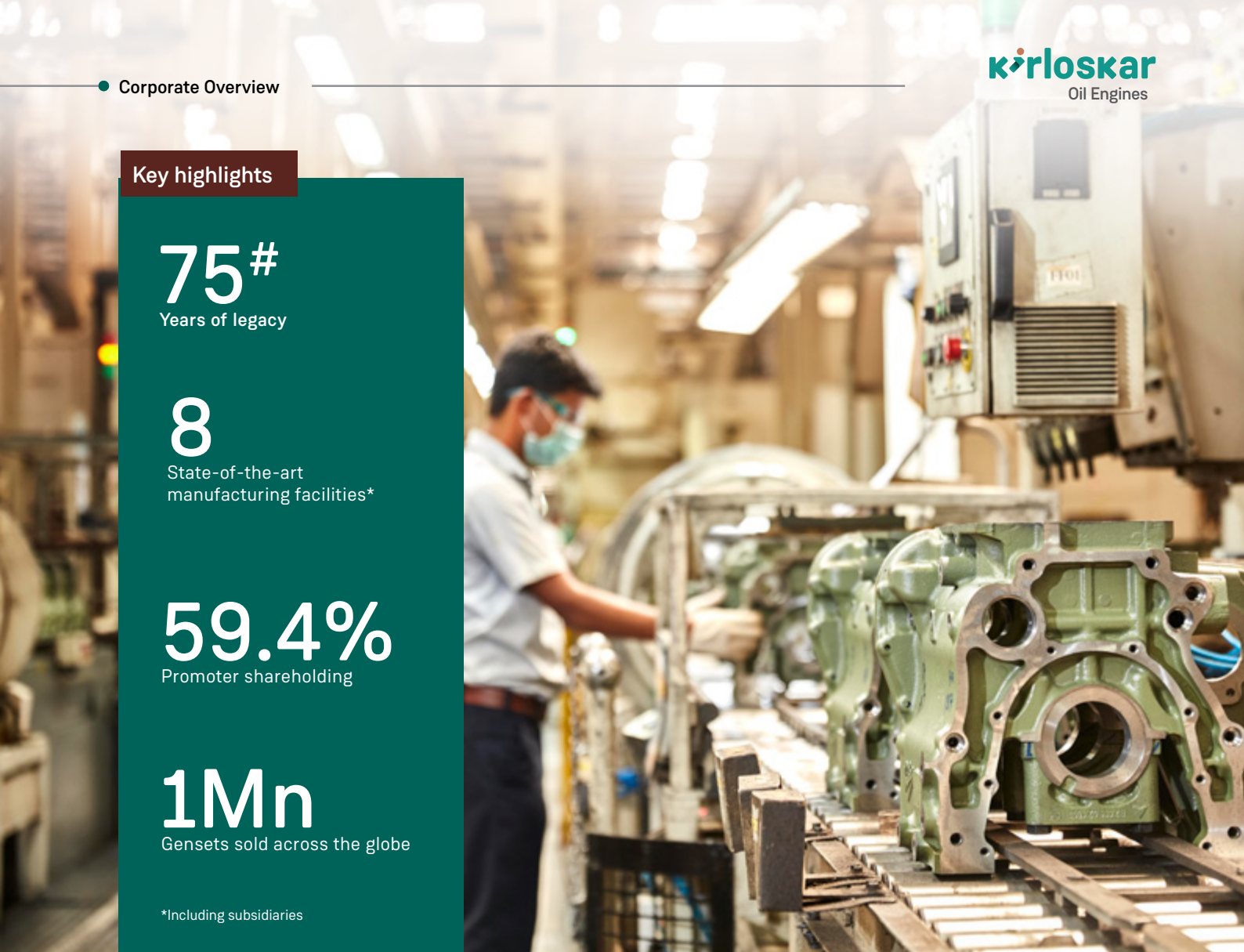
75#
Years of legacy

8
State-of-the-art manufacturing facilities*

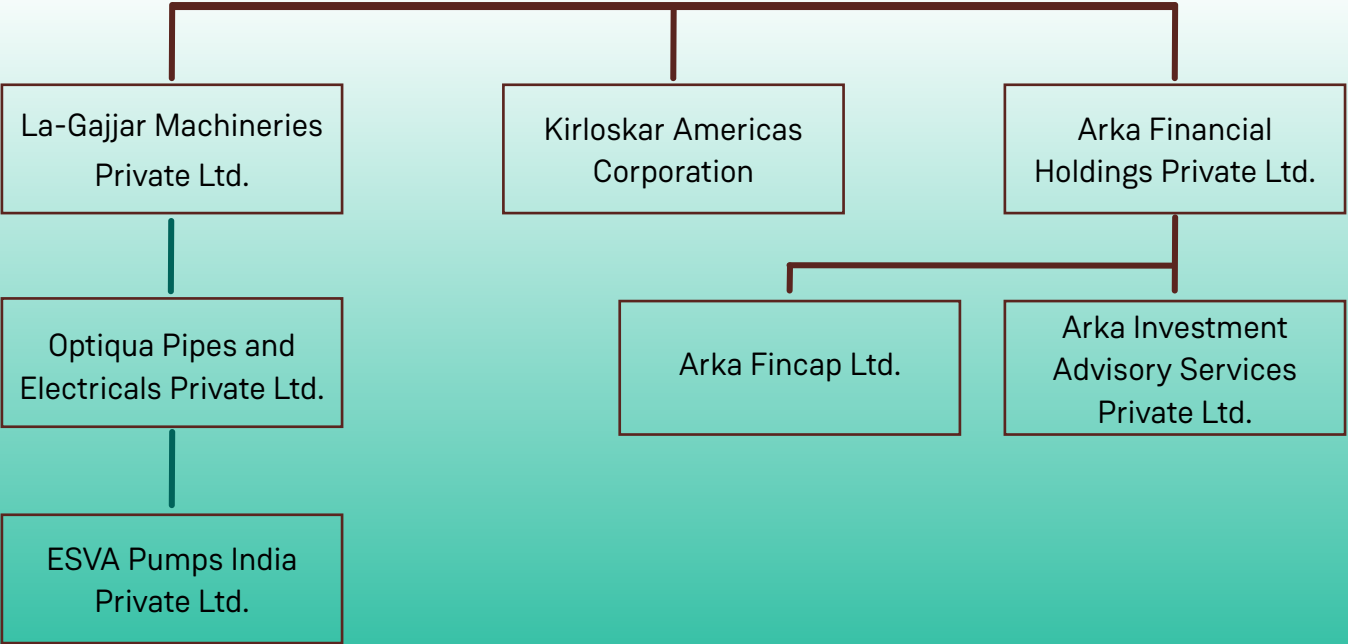
59.4%
Promoter shareholding

1Mn
Gensets sold across the globe

*Including subsidiaries



kirloskar
Oil Engines



* Including merger and de-merger

Our Businesses at a Glance

Diverse and differentiated solutions

We offer a range of diverse and customised products and solutions to meet our consumers' requirements. Our solutions include power generation, industrial engines, fire fighting systems, farm mechanisation and water solutions. We are known in the industry for the functionality, durability and performance of our products. Our business segments are categorised under five strategic business units.

Prime power solutions



The segment consists of power generation, industrial engine segments and associated customer support services. We manufacture both air-cooled and liquid-cooled engines (Diesel, Petrol and Natural Gas) and gensets. The segment caters to 35+ sectors with quality diesel engines powering more than 85 applications.

Our offerings

- Gensets (2kVA – 1500 kVa)
- Emission Compliant Diesel Engines
- Corporate AMC, Bandhan – Retail AMC



Water management solutions

Our water management solution unit offers a wide array of products for domestic, commercial and agricultural use. Over the years, we have established a strong brand name in the agricultural pump segment with a significant market share. We manufacture and supply quality diesel engines used for powering various agricultural applications. We also manufacture and sell an electric variant of the pump sets.

Our offerings

- Electric Pumps
- Diesel engine based pumps
- Diesel Engines for general engineering applications
- Alternators
- Cables for agriculture applications
- Winding Wires, Cables and Pipes



Farm mechanisation solutions

Our farm mechanisation range is created to realise the Company's vision of empowering the world's small and marginal farmers, with innovative farm machines. We design products based on consumer insight, thus making them more ergonomic and efficient, which help farmers to improve the productivity. Our products are designed to meet farmers' unmet demands for safety, comfort, and affordable productivity.

Our offerings

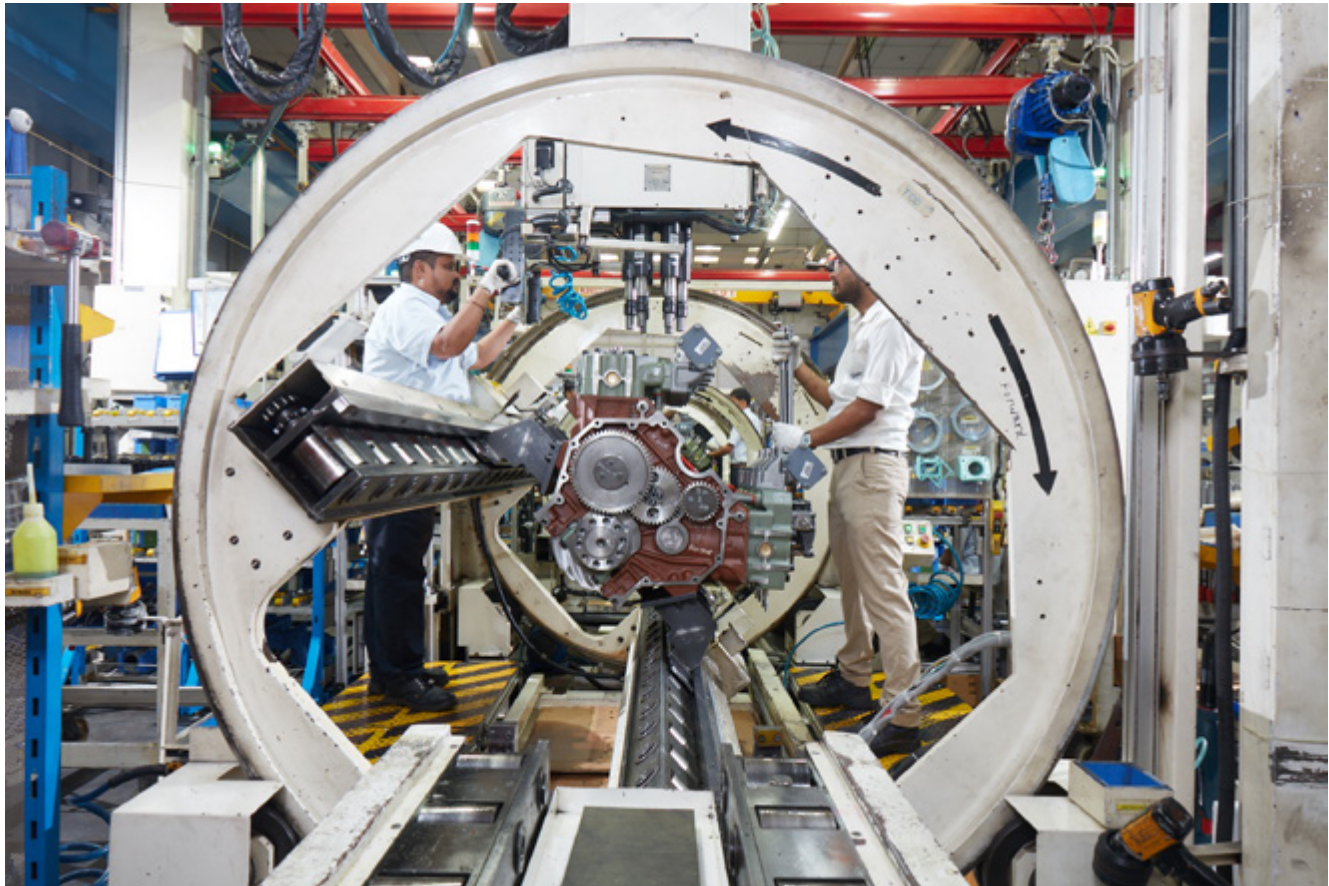
- Power Tillers
- Power Weeder
- Rotary Tiller
- Implements (harvester, thresher, plough, digger and hopper)
- Handheld Tools

Our Businesses at a Glance



Institutional and project solutions (IPS)

Through IPS, formerly known as the large engine business, we supply a range of products to the defence (Army, Airforce and Navy) and commercial marine sector including energy systems, gensets, vehicle repowering and propulsion engines. We operate as the system integrator and provide end-to-end solutions to our key customers.



International business

We offer our products and services to more than 30 countries across the globe. We have seen significant organic growth in the business in the last five years and expect our new products to further drive business growth.

Our offerings

- Industrial Diesel Engines
- Gensets
- Fire Fighting Engines (FM/UL)
- Agri Pump Sets
- Power Tillers
- Spare parts



Financial services business

Through the financial service business, we focus on providing structured-term financing solutions to corporates and financial loans to Micro, Small and Medium Enterprise (MSME) borrowers in India. This business comes under Arka Financial Holdings Private Limited. Arka Fincap Limited (Formerly known as Kirloskar Capital) is licensed by the RBI as a Systemically Important Lending NBFC (Non-Banking Finance Company). The growth of the business is built on robust digital credit assessment and concrete digital onboarding for a faster TAT (Turn Around Time) and a fast tracked disbursement process.

Our commitment

Partnering Atmanirbhar Bharat

At KOEL, we have always strived to align ourselves with the grand initiative of nation-building with indigenous technologies and expertise. We have been manufacturing large engines in India for decades and are valued partners of our armed forces.

Powering systems for defence

Products manufactured at our Nasik plant serve the Indian Army, Air Force and Navy. We provide the powering systems for the missiles and RADAR for the Army, Air Force and the Navy. Through our wide range of customised offerings, we cater to their critical requirements. Through our R&D expertise, we are able to provide critical engines to our armed forces which can withstand extreme temperatures of -30 degrees Celsius in Leh and Ladakh to 55 degrees Celsius in Rajasthan and are easy to carry. We have also been repowering many military vehicles and tanks through our engines. We have been trusted partners of the armed forces and have delivered value with each of our solutions.

Providing diesel generators for nuclear plants

Energy is a critical component of the Indian economy and nuclear energy, being the fourth largest source, is an important aspect of the energy mix. We are serving the nuclear power segment through our emergency diesel generators for nuclear power plants.

Providing power solutions

Our forward integration efforts have enabled us to not only be a diesel genset supplier but also a systems integrator by providing a complete power solution.

Modernising surveillance system

We are one of the system integrators in modernizing the naval surveillance system.

Assam inland water transport project

We have also been working on a project with Assam Inland Water Transport Project (AIWTP) as Propulsion system provider. We repowered more than 300 boats with new engines, gear boxes and propellers for inland water transportation.

Engines for naval application

Our indigenously developed Kirloskar large engine fleet is onboard with many Indian Naval Ships and Indian Coast guard ships, which includes front line warships, survey class, and offshore patrol vessels.

Engines for fishery segment

Our offerings for fishery business have achieved an important milestone of having crossed 1,000+ engines being supplied and commissioned. Out of the supplied engines, 46 engines crossed 10,000 running hours each. Overall engines cumulatively have crossed 4.5 Mn running hours.

More than 5,000 KOEL gensets
are powering various applications
along the Indian border

Our engines being used in various
defence applications, infrastructure
projects and fishery sector



Our journey

Our evolution through the decades

