



# **KIRIT**

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**A National Level Case Study Competition**

**Case Abstracts**  
**(2020-2024)**



## **Pricing Dilemma at ABC Ltd**

Ashok Patil, Asst.Professor  
Roshan Raju, Asst.Professor  
(Jan-2021)

It was the first Monday of January 2021 and Mr. Senthilkumar, MD & CEO of ABC Limited (ABC) was preoccupied with thoughts of the heated Senior Leadership Team (SLT) meeting that took place the evening before. The SLT was confused about the business priority at this juncture. The issues that were brought forth during the meeting, were quite disturbing. • The CFO highlighted a 3% drop in margins during the last quarter (Sept-Dec 2020) • The supply chain head asked for additional funds for spot buying certain commodities to maintain sufficient buffers • The business heads had shared feedback about unhappiness from customers on delayed deliveries in the last month and had requested improvements • The HR head had mentioned the resignations of top sales leaders from two business units (BUs) catering respectively to the PGOEM & OEM customer groups.



## **Dilemma of an Fmed Business Unit**

Ashok Patil, Asst.Professor  
Srinivasa Suresh, Associate Professor  
Roshan Raju, Asst.Professor  
(Feb - 2021)

The eerie silence in the conference room on 6th September 2021 was broken by the sound of rushing foot-steps. Five senior officers – Mr. Anuj, Sales Head; Mr. Prasad, Production Head; Mr. Sharma, Sourcing Head; Mr. Girish, Human Resource Head; and Mr. Chandan, Finance Head – were sitting in the conference room could not help but notice that the steps were missing their usual rhythm. They had sensed this earlier over the phone call as well, where the voice at the other end of the line revealed that everything wasn't hunky-dory. This definitely was not a usual day for their boss and head of this 600 plus crore business – Mr. Venugopal T. Mr. Venugopal was not a man known exactly for stoic calm and poise, in fact was quite the opposite: energy to work 12 hours a day, passion for success and a sense of polished humor kept his team on their toes. This man nearing 60 was often called Venu-The-Tempest. Yet the helplessness was evident in his voice today. This 600 plus crore business of today was a struggling 200-crore business five years ago. Part of about 7,500 crore engineering conglomerate, this Consumer Products Division (CPD) was placed under Industrial Products Business vertical of Ekcello group. CPD is in FMED (Fast-moving Electrical Durables) segment. In board meetings or Vertical meets, CPD was hardly discussed, treated like an ignored – often ridiculed – member of a large successful family. One couldn't find fault with CPD, but attribute the situation to the soaring successes of other business units of Ekcello.



## **ABC LIMITED: LUMP-SUM TURNKEY PROJECTS**

Ashok Patil, Asst.Professor  
Srinivasa Suresh, Associate Professor  
Roshan Raju, Asst.Professor  
(December – 2021)

On 10th September 2015, Mr. Pradeep Shukla, MD & CEO of ABC Limited was in a serious discussion with Mr. Deepak Sharma, Business Head – Gas Compressor Division (GCD) on the market share of Gas Compressors. Mr. Sharma was worried about the stagnant market share and pointed out that the adoption of the LSTK (Lump-sum Turn Key) business model will enhance the market share. However, Mr. Shukla was concerned about the level of ABC's experience and manpower proficiency in LSTK business model in comparison to the existing market players. Mr. Sharma argued however that delaying the entry into this new business model may hamper the growth of the business and strongly recommended initiating the implementation of this model at the earliest. After the discussion, Mr. Shukla was brooding over the challenges in the implementation and impact of this strategy on business growth.



## **FINCARE CAPITAL LIMITED: CONSTRAINTS IN BUSINESS EXPANSION**

Ashok Patil, Asst.Professor  
Srinivasa Suresh, Associate Professor  
Roshan Raju, Asst.Professor  
(December – 2021)

On 1st October 2021, during the half-yearly performance review, Mr. Suresh Venkatesan, MD and CEO of Fincare Capital Limited (FCL) understood that the Small & Medium Enterprises (SME) lending vertical will struggle to achieve its yearly target set at the start of the financial year. It had disbursed INR129 crore against a target of INR 140 crore as on September 30, 2021. It was affected by the fact that the SME lending segment could result in higher delinquency due to COVID situation. Hence, enhanced due diligence in selecting the right SME customers was crucial to sustain the business. This business vertical was set up during April 2020 and was headed by Mr. Vishal Kumar. The SME has four branches at the moment in Mumbai, Pune, Delhi & Bangalore and is planning to open in 8 more locations. In case of expanding the vertical, the company borrows money from other banks & financial institutions via Commercial Paper (CP) and Non-Convertible Debenture (NCD). The gross borrowing for the year was 710 Cr and the outstanding borrowing as of March 31, 2021 was 660 Cr. The branches are yet to break even and the Capital Expenditure (Capex) and Operational Expenses (Opex) will be higher initially. The approximate cost of opening a branch with a sitting arrangement of 5 people will vary from 5 - 10 Lacs. Out of the approved headcount, the current branches are 55% staffed and rest are to join in a month's time. Mr. Venkatesan raised this concern with Mr. Kumar and suggested that it was important to find, analyze and take corrective actions as soon as possible in order to get the vertical back on track.



## **XYZ LIMITED: EXPANSION OR DIVERSIFICATION**

Ashok Patil, Asst.Professor  
Srinivasa Suresh, Associate Professor  
Roshan Raju, Asst.Professor  
(December – 2021)

On 5th July 2021, the Steering Committee, headed by Mr. Murthy, MD, XYZ Limited, a leading jobbing foundry, was engaged in a brainstorming session to explore growth avenues considering the rapidly changing landscape of products on offer that are driven by technology, regulations and customer choice. The company has over the years aggressively pursued cost reduction as a major driver to improve bottom line. It has established its superior position amongst discerning customers by ensuring QCDS (Quality, Cost, Delivery and Safety) and timely scaling up of capacity ahead of demand. The company has been ably led by the Mr. Murthy for over 2 decades, who developed internal talents to lead the business units. He has developed a robust process of identifying and fast-tracking high performers. On top of it with recent developments in technology, this industry is undergoing rapid changes like adoption of EV or Fuel cell technology that could disrupt the existing vehicle architecture including IC engines and robust transmission systems The company has set for itself a goal of achieving a half-a-billion-dollar turnover by 2027 in the casting business and has to grapple with challenges on sustaining and growing the existing businesses as well as exploring new business areas to be able to stay relevant and grow. The present turnover of the casting business is about USD 135 million. This translates into growing almost 4 times in 6 years. The opportunities before the company are to a. Expand capacity and improve sales by adding new products and new customers including exports, b. Increase value add through machining & c. Diversify products into SG Iron/CG Iron/ Aluminium to ensure achieving the target topline.



## **DBE Limited: Strategy for Small Diesel Engines Business Unit**

Ashok Patil, Asst.Professor  
Roshan Raju, Asst.Professor  
(Feb – 2023)

Mr. Vinod Bakshi, Unit Head, Diesel Engine Business of DBE Limited was busy preparing reports for an upcoming meeting with Mr. Paresh Bhatnagar, CEO of DBE Ltd. It was mid of June 2022, and this meeting was scheduled for discussing the Annual Operating Plan for the upcoming year. Mr. Paresh Bhatnagar had pointed out the declining sales of diesel engines in recent years and raised concerns over the future of the said business. Now, while preparing reports, Mr. Bakshi noted that there was a steep decline in profitability figures corresponding to the pump set sales over the last ten years. Being the major manufacturer of the small diesel engines and pump sets, DBE Ltd. has developed its expertise in diesel engines for small construction equipment over the years and has earned the reputation for its quality. Small diesel pump sets are largely used by the farmers for irrigation and most of them have switched to electric pump sets owing to the increasing availability of electricity in rural areas. This alternative of an electrical option has also resulted in higher conversion costs of potential customers. Mr. Bakshi was sure of continued business in this segment as other competitors were exiting the business. There was a scope for growth in the construction equipment industry on account of infrastructure developments taking place in the country. Mr. Bakshi was debating how to propose a short term and long term strategy for this division of small diesel engines.



## **ABC Ltd: An Investment Dilemma**

Dr. Srinivasa Suresh S, Associate Professor

Ashok Patil, Asst.Professor

(Feb – 2023)

On a fine day in June 2019, XYZ Ltd, a German-Spanish company, came up with a proposal to ABC Ltd with an expected revenue of Rs. 13.5 crores attached to a sales figure of 1200 pitching and yawing gear boxes per year. The proposal was attractive and the core team from both the companies was in discussions for quite some time now. After a gap of two years due to the pandemic, the proposal is again on the table for review. During the review it was also observed that the one-time certification cost for manufacturing pitching and yawing gear boxes is to be borne by ABC Ltd. Mr Keshav Reddy, Head - Marketing and Strategy, ABC Ltd, is well aware that pitching and yawing gears are typically used in the wind turbine industry and manufacturing them requires a mass production manufacturing infrastructure that will require further investment from the existing infrastructure of ABC Ltd. Although the proposal is attractive in terms of revenue generation, there are quite a few challenges to consider before the project is accepted. Before having a discussion with Mr. Israr Shaikh, the Managing Director of ABC Ltd, Mr. Keshav is considering various options that are available over a spectrum of expanding the company's production capacity to outsourcing it.



## **Finwin Capital Limited: The Roadmap for Implementation of Artificial Intelligence**

Ambuj Gupta, Professor

(Feb – 2023)

In the last IT steering committee meeting held in Sep, 2022, Mr. Verma presented the efficacy of the solutions implemented at Finwin Capital Limited for credit underwriting of the customers. Improving the credit underwriting using data, technology innovations and the increased computational power have been the theme of a large number of conversations across industry forums for the last few years in forums like Indian Banking Association (IBA) and various other Fintech meets. Mr. Chandrakant Verma, Chief Information Officer at Finwin Capital Limited was entrusted with the responsibility of finding out the optimal approach to meet stakeholder's expectations of increasing business volumes without taking undue additional credit risk. Mr Verma was well aware that the technology is enabling the lenders to answer credit applications much quicker than a human reviewing it. Some of the new age lenders have proved it is more accurate which means they are able to capture more of the lucrative lending market and be a stronger business. During the meeting the committee members had queries regarding usage of the alternate data and the data points which are being disregarded to be used for underwriting purposes. The members asked the technology team if AI / ML models should be used to underwrite certain lending products. Committee members also wanted to understand return on investments for these tech investments in the next 2-3 years. Mr. Verma called upon some of his colleagues in the industry and also spoke to his team at FinWin Capital Limited to collect their opinions and point of views, but is yet undecided. Since AI based projects need a significant amount of time and cost and the probability of failure or not getting a positive ROI is very high, Mr. Verma wants to be convinced about the approach before presenting in the next steering committee meeting in April, 2023.



## **GB Limited: Dilemma of Competition from a Dealer**

Srinivasa Suresh S, Associate Professor

Azhar Sheikh, Associate Professor

(Feb – 2023)

During the monthly sales review meeting on June 5, 2022, Mr. Kunal Kapoor, Sales Head at GB Limited was in serious discussion with Mr. Malhotra, Division Head of the Gear Manufacturing Division (GMD) about a grave situation in Gujarat territory in the western region. GB Ltd. is into the manufacturing of highly customized engineering products and has five main business divisions. GMD is one of the important divisions in terms of overall revenue generated by the company. It manufactures Type A, Type B and Type C gearboxes. (Exhibit A). In this segment, service and spares-support plays a very crucial role in customer satisfaction and sustainable future demand for the gear boxes. Government and private engineering sectors are the important customers for the GMD. Mr. Kunal noted that one of the major dealers for GB Ltd in Gujarat territory, Ms. Jayantilal Distributors has started manufacturing its own Type B industrial gear boxes. Although Ms. Jayantilal denied, it was confirmed by one of the prospective customers that Ms. Jayantilal has quoted for the Type B gear boxes. M/s Jayantilal Distributor is one of the major dealers for GB Ltd in Gujarat territory and about 60% of GB Ltd's business in the territory comes through Ms. Jayantilal Distributors. M/s. Jayantilal Distributors is very well known in the territory for its sales and spares-support and has developed a reputation for the same over its three generations. Mr. Kunal sought Mr. Malhotra's advice over this critical issue.



## **SH Limited: The Strategic Decision Dilemma**

Ashok Patil, Asst.Professor  
Roshan Raju, Asst.Professor  
(Feb – 2023)

On 10th November 2022, the Steering Committee, headed by Mr. Rao, MD of SH Limited, a leading Seamless Tube manufacturer, was engaged in devising a strategy to decide on the future course of its 100% subsidiary based out of a Scandinavian country considering that the business has been tottering at an annual turnover of INR 30 crores with an effective negative bottom line of INR 5 crores.



## **Screw Compressor Technology: Market Entry into IndRailway**

Dr. Srinivasa Suresh S, Associate Professor

Gour Saha, Professor

Dr. Arthur Fernandes, Associate Professor

(Feb-2024)

Mr. Shyam Sundar, an enterprise application engineer at SCT Company, suggested the adoption of new screw compressors for use in Indian Railway brake applications. He presented this proposal to Mr. Prasad, the Director of SCT Company, who agreed with scepticism. However, Mr. Prasad is currently facing a dilemma whether Indian Railways would welcome the introduction of SCT Company's new screw compressors. Despite recognizing favourable market conditions and the existence of comparable suppliers in foreign countries, Mr. Prasad is hesitant about how Indian Railways will perceive their product.



## **OFFLINE CNG COMPRESSORS: ABC LIMITED**

Dr. Srinivasa Suresh S, Associate Professor  
Gour Saha, Professor  
Dr. Arthur Fernandes, Associate Professor  
(Feb-2024)

At ABC's monthly meeting in September 2019, Mr. Pradeep Shukla, the company's president, expressed concerns about the increasing competition in the City Gas Distribution (CGD) segment. His specific worry concerned around the current online CNG compressor market, raising apprehensions about the possibility of future stagnation. "I know we are operating at capacity in Gas Compressor distribution," he remarked to Mr. Deepak Sharma, Business Head - Gas Compressor Division (GCD). "But surely there's room for improvement in our overall business position. Perhaps, we should consider reviewing our relationship with the downstream users in the oil and gas market. Is it possible that the situation could be altered by entering the offline CNG compressor market? Why don't you have a meeting with your division champions, explore different options, and formulate a recommendation."



## **Hemraj Indu: Embracing Diversity in Agricultural Tech**

**Gour Saha, Professor**  
**Savita Lakkol, Professor**

Vinay Hemraj, CEO of the Hemraj industries faces the significant responsibility of continuing his family's legacy in farm mechanisation and guiding the company into the future. Hemraj industries, a prominent player in the small farm equipment market, faces a challenge due to seasonal fluctuations in the agricultural sector. The existing dealer network struggles to maintain business viability throughout the entire 12 months of the year. Furthermore, there is a declining preference for small and specialty equipment. Vinay holds the advantage of an extensive customer outreach spanning the entire country, supported by approximately 5000 service technicians operating from 600 sales and service outlets. The CEO has an understanding that Hemraj industries needs to add more types of farm equipment to serve business needs throughout the entire year. In light of the market potential and the changing market scenario (Annexure 1), the company aspires to establish itself as the market leader in the farm equipment category. India being the largest Agri Equipment manufacturer in South Asia, is emerging as a leading exporter in the global market. The continuous technological advancements in agriculture equipment present lucrative opportunities for market expansion. Farmers stand to gain from innovations in planting and harvesting machinery driven by advancements in big data, AI, and IoT. The farming, which was traditionally perceived as a profession associated with uneducated individuals in rural areas is undergoing a significant re-evaluation, particularly in light of the COVID-19 pandemic. The International Fund for Agricultural Development (IFAD), a specialized agency of the United Nations and an international financial institution, aims to eradicate poverty and hunger in rural areas of developing countries. The pandemic has prompted a widespread reassessment of priorities, jobs, and societal roles. The influx of educated youth into the market is an opportunity of Agriculture OEMs to explore the changing scenario. In this context, Hemraj Industries seeks to be a pioneer in exploring this changing market.



## **Sustaining Margin: The Challenges of Himalayan Corp**

**Gour Saha, Professor**  
**Savita Lakkol, Professor**

Raj Sahani, the CEO for Himalaya Corporation Inc., just completed his 15 year anniversary in his plush office but didn't look too happy with his time at the organisation. He remarked his colleague, VP of Sales that, "growth rate of our company doesn't even beat inflation. We need to think out of the box and with such dwindling numbers on the balance sheet, we will struggle to survive the next decade in the market."