



Enriching Lives

Kirloskar Brothers Limited.

Financial Analysts Meet

Quarter 2

FY 2013-14

Disclaimer



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These materials may contain forward-looking statements regarding Kirloskar Brothers Ltd. (KBL), our corporate plans, future financial condition, future results of operations, future business plans and strategies. All such forward-looking statements are based on our management's assumptions and beliefs in the light of information available to them at this time. These forward-looking statements are, by their nature, subject to significant risks and uncertainties and actual results, performance and achievements may be materially different from those expressed in such statements. Factors that may cause actual results, performance or achievements to differ from expectations include, but are not limited to, regulatory changes, future levels of industry product supply, demand and pricing, weather and weather related impacts, wars and acts of terrorism, development and use of technology, acts of competitors and other changes to business conditions. KBL undertakes no obligation to revise any such forward-looking statements to reflect any changes in KBL's expectations with regard thereto or any change in circumstances or events after the date hereof.

Companywide Highlights



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- Overall economic scenario and bearish undercurrents continued to affect revenue and profitability
- Thrust on Improving quality of Balance Sheet continues to be main financial agenda
- Focus on selective sale depending upon customer financial position continues.
- Thrust on closure of old projects and recovery of retention money continues.
- New merged entity by the name of “Karad Projects and Motors Limited” now in existence post merger of Hematic Motors Pvt Ltd with KCEL

Sector Highlights



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Irrigation

- Successfully commissioned the 25th Concrete Volute Pump in Pump Station II at Sardar Sarovar Narmada Nigam Ltd.
- Received first order from Haryana Irrigation Department.
- Successfully commissioned Ainapur - II LIS in Karnataka

Water Resource Management

- Collected retention money of Rs. 24 Crs.
- Closed 10 number of sites in H1 against plan of 11.

Sector Highlights



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Power

- Signed Supplier of Choice (SoC) agreement with SNC Lavalin, Canada, for supply of pumps for their global projects.
- Repeat order received from Bechtel Power Inc, USA for general service pumps for Panda Sherman and Temple Power projects, USA.
- PG test for Concrete volute CW pumps for 5x800 MW CGPL Mundra successfully completed - India's first Ultra Mega Power Project.

Sector Highlights



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Gas Oil & Defense

- Conducted workshops and seminars at major installation at Paradeep like IFFCO, Pradeep Phosphate, IOCL and Chambal Fertilizers for promoting LLC pumps.
- Final testing and completion of two fire fighting packages at ONGC offshore

Industry

- Visited Cargill India for having a strategic tie up for all upcoming refineries across the globe
- U.P Dealers meet in Lucknow to share the enablers in growth of the Special Pumps Business
- First Order received for 2 sets of Auto Prime Units (Engine Sets) from Trimex Sands

Sector Highlights



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Building & Construction

- Replacement business of Standard fire vs. FM/UL set business is increasing, 4 orders received .
- Received order from DMRC 3rd phase

Distribution

- SMDS is implemented at all Plants, RO's and Dealers. Training to All India Dealers is completed.
- Android based applications developed for productivity enhancement, market research, surveys and reporting.

Customer Service & Support

- Inaugurated refurbishment centers at New Delhi and Jamshedpur

Factory Highlights



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Kirloskarvadi

- Kirloskar Brothers Ltd - Kov Plant won the National Award for Excellence in Energy Management 2013
- Organised meeting with key suppliers regarding Supplier Improvement Plan
- O-SOJI Implementation across the Kirloskarvadi Plant
- Successfully completed Inclined testing for Primary Sodium Pump
- UP 350/66 - 3 Pump Sets A/c Linde AG dispatched
- Visit of delegates of P.T. Zung, Indonesia to assess technical capability for their upcoming small power plants in Indonesia.

Factory Highlights



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Dewas, Shirwal, Coimbatore , Ahmedabad Factories

- Highest ever production achieved by small pumps operations

Kondhapuri

- Won 2nd Prize in State Level Energy Conservation Award from MEDA for 2011-12
- 400mm DPCV (Rubber Seated) developed
- UL listing for 300mm/350mm/400mm NRS and 300mm OS&Y Gate valves
- Development of Resilient seated SL size 50mm & 80mm completed

Company Wide Pending Orders



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(Rs.in Crores)	3Q Dec-12	4Q Mar-13	1Q Jun-13	2Q Sep-13	2Q % of Total
IRRIGATION	1,207	1,149	1,113	1,080	57%
WATER RESOURCE MANAGEMENT	262	218	206	198	10%
POWER	585	521	462	419	22%
GAS OIL DEFENSE	64	72	25	60	3%
INDUSTRY	57	47	57	45	2%
BUILDING & CONSTRUCTION	26	31	29	29	2%
DISTRIBUTION	31	40	45	48	3%
CUSTOMER SERVICE & SPARES	21	23	22	17	1%
TOTAL	2,253	2,101	1,958	1,895	100%

	Rs. In Crores			
	Dec-12	Mar-13	Jun-13	Sep-13
KBL Standalone	Q 3	Q 4	Q 1	Q 2
Orders Received	372	397	278	332

	Rs. In Crores			
	Dec-12	Mar-13	Jun-13	Sep-13
KBL Consolidated	Q 3	Q 4	Q 1	Q 2
Orders Received	635	709	485	689
Pending Orders on Hand	2,652	2,637	2,521	2,462

Q2 Financials – Standalone Highlights



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- Reduction in borrowings by Rs. 3 Crs. over March 2013 and by Rs. 89 Crs. over September 2013.
- Cash generation of Rs. 28 Crs. during H1 as compared to negative Rs. 8 Crs. in H1 of FY 2012-13 (excluding income tax refund Rs. 35 Crs.).
- Net reduction in retention debtors by Rs. 17 Crs. during H1.
- Reduction in Gross Current Assets by Rs. 39 Crs. & Gross Current Liabilities by Rs. 39 Crs. over March 2013 & by Rs. 86 Crs. & Rs. 22 Crs. over September 2012 respectively.
- Booking of actual loss on foreign currency borrowings of Rs. 20 Crs during H1 due to Rupee depreciation.
- Revenue from operations is Rs. 828 Crs. as against Rs. 920 Crs. in PY – fall of 10% .
- Sale of manufactured products going up to 62% as against 55% in H1 of previous year.
- PBT is Rs. 19 Crs. as against Rs. 31 Crs. in H1 of previous year, mainly due to actual loss on foreign currency borrowings and lower performance of Industry and Spares compared to PY.

Q2 Financials – Standalone



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Particulars	Half year ending			Rs. Crs
	Sep-13	Sep-12	Sep-11	Year Ended Mar 31, 2013
	KEY FINANCIALS			
Total Income	830	924	884	1,879
P B D I T	50	61	82	137
P B T	19	31	50	72
P A T	13	24	39	43
CASH PROFIT	30	39	54	75
KEY FINANCIAL RATIOS				
P B I D T % AGE	6.0%	6.6%	9.3%	7.3%
P B T % AGE	2.3%	3.4%	5.6%	3.8%
R O C E % AGE	6.6%	8.5%	11.4%	10.0%

Q2 Financials – Standalone



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Particulars	Half year ending			Year Ended
	Sep-13	Sep-12	Sep-11	Mar 31, 2013
Total Assets	1,053	1,132	1,241	1,047
Gross Current Assets	1,446	1,532	1,753	1,485
Gross Current Liabilities	948	970	1,060	988
Net Current Assets	498	562	694	497
Borrowings	265	354	457	268

Q2 Financials – Consolidated



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Particulars	Half year ending			Year Ended Mar 31, 2013
	Sep-13	Sep-12	Sep-11	
KEY FINANCIALS				
Total Income	1,202	1,316	1,289	2,628
P B D I T	61	99	111	215
P B T	13	49	71	112
P A T	4	33	53	66
CASH PROFIT	29	57	74	115
KEY FINANCIAL RATIOS				
P B I D T % AGE	5.0%	7.5%	8.6%	8.2%
P B T % AGE	1.1%	3.7%	5.5%	4.3%
R O C E % AGE	5.4%	11.7%	12.1%	13.1%

Note: Figures of period ending Sept 2011 includes profit on sale of investment Rs. 35 crores

Q2 Financials – Consolidated



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Particulars	Half year ending			Rs. Crs
	Sep-13	Sep-12	Sep-11	Year Ended
				Mar 31, 2013
Total Assets	1,293	1,270	1,483	1,268
Gross Current Assets	2,032	2,039	2,150	1,858
Gross Current Liabilities	1,308	1,346	1,307	1,124
Net Current Assets	723	692	842	734
Borrowings	357	358	518	377



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Thank You