



Enriching Lives

Kirloskar Brothers Limited.

Financial Analysts Presentation

Q2 - FY 2016 -17

Disclaimer



Enriching Lives

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



Enriching Lives

Highlights

- Irrigation sector witnessed a good growth owing to progress in Telangana irrigation projects. However, there continues a stress in power projects and Oil and Gas market
- First order received for AT pumps
- Canned motor pump order received from an OEM, for Ammonia transfer application.
- Kirloskarwadi factory designed and successfully developed a pump to comply with Underwriters Laboratories (UL) standards.

Sector Highlights



Enriching Lives

Water Resource Management

- Major Booking was from order for products. This consisted of value added products like LLC pumps and auto prime pumps etc.

Irrigation

- Successfully signed Penganga Project contract. Project involving construction of pumping station is required to be completed in 18 months. This will help us to reduce WIP debtors for Indira Sagar Project
- 64 Units of various Large Pumpsets having rating in the range of 3200 KW – 5000 KW where successfully Performance Guarantee Tested in one go at customers site - Record achievement for the sector.
- Successful preliminary handing over of 'El Tagen' pumping station in Egypt.

Power

- Received order for GUNJAVANI HEP E& M Package.

Project Execution

- Successful commission of BHIMA LIS, Telangana and inaugurated by Hon. Harish Rao, Irrigation Minister, Telangana
- Received completion of facilities certificate for DVC, Koderma Project
- Received final completion certificate for Jaypee Bina 2 * 250 MW Thermal Power Project.
- During half year physical closure of 3 projects and financial closure of 4 projects achieved.

Sector Highlights



Enriching Lives

Export Excellence Cell

- Orders received from Toshiba for various projects.
- Order received from a Spanish EPC Contractor for desalination Pumps.

Building and Construction

- 1st FM/UL pump successfully commissioned in Bangladesh for their textile industry.

Marine and Defense

- Order executed for Goa Shipyard and Cochin Shipyard.

Engineering Service Division

- Half year sales show the 35% growth over last year. The booking and recovery are showing growth over last year.

Distribution

- Small Pump Business has registered 13% growth over last year.

Plant Highlights



Enriching Lives

Kirloskarwadi

- 36" Split case Pumps developed and offered to Kolkata Municipal water works
- Air Cooled Thermic fluid pump AT Standardised for 350 ° Celsius application.

Dewas

- Implemented green projects (Bio-gas plant, Solar LED street lighting, LED shopfloor lighting, Solar water heating system etc.) to reduce carbon foot-print and cost.

Sanand

- Accreditation of Energy management system certification (ISO: 50001) of the plant.

Kaniyur

- Accreditation of Energy management system certification (ISO: 50001) of the plant.

Kondhapuri

- Received SA8000 certification
- Completed development of 2000 Multi Door non Return Valve and 1000 mm Knife Edge Get Valve

Companywide Pending Orders



Enriching Lives

Pending Order Board as on September 2016

Sector (Rs. Crs)	3Q Dec-15	4Q Mar-16	1Q Jun-16	2Q Sep-16	2Q % of Total
Irrigation **	750	776	699	661	46%
Water Resource Mgmt	157	196	190	189	13%
Power	297	280	248	275	19%
Oil & Gas	29	30	45	39	3%
Marine & Defence	11	23	23	5	0%
Industry	32	43	41	58	4%
Building & Construction	28	36	29	34	2%
KOV Distribution	39	18	20	20	1%
Customer Support & Spare	38	52	42	11	1%
Valves	45	79	99	79	5%
Export Excellence Cell (EEC)	88	37	71	74	5%
TOTAL	1,514	1,570	1,507	1,445	100%

Rs. In Crs

	Dec-15	Mar-16	Jun-16	Sep-16
KBL Standalone	Q 4	Q 1	Q 2	Q 3
Orders Received	344	586	569	558

Rs. In Crs

	Dec-15	Mar-16	Jun-16	Sep-16
KBL Consolidated	Q 2	Q 3	Q 4	Q 1
Orders Received	612	624	657	632
Pending Orders on Hand	2,096	2,299	2,315	2,337

** Orders exclude Rs. 324 Crs where work not commenced and Rs 234 Crs where work kept on hold as per customers advice



Q2 Financials – Standalone Highlights

Highlights:

- Income from operations in H1 of Current Year is at the same level of H1 of Previous Year, at Rs. 763 Crs M as against Rs. 764 Crs
- Sales of Product sectors is at Rs. 611 Crs as against Rs. 610 Crs in H1 of PY. Project sector sales are at Rs. 152 Crs as against Rs. 154 Crs in H1 of PY.
- CY profit before other income and finance cost is at Rs. 20 Crs as against Rs. 9 Crs in PY.
- CY PBT stands at Rs.15 Crs as against profit of Rs. 3 Crs. PY mainly due to –
 - ✓ Reduction in material cost by 2%, in CY
 - ✓ Reduction in operating and other expenses by Rs. 6 Crs
- Reduction in borrowings by Rs. 11 Crs over March 2016.
- During H1 recovery of WIP debtors was Rs. 17 Crs & new WIP generated during the same period is Rs. 11 Crs leading to net reduction of Rs. 6 Crs in WIP Debtors.



Q2 Key Financials – Standalone

Rs. Crs

Particulars	Quarter Ending			Year Ended Mar 31, 2016
	Sep-16	Sep-15	Sept 14 *	
KEY FINANCIALS				
Total Income	779	783	690	1,747
P B D I T	52	40	21	84
P B T	15	2	(23)	7
P A T	11	5	(20)	12
CASH PROFIT	32	25	4	51
KEY FINANCIAL RATIOS				
P B I D T % AGE	6.7%	5.2%	3.1%	4.8%
P B T % AGE	1.9%	0.3%	-3.4%	0.4%
R O C E % AGE	5.2%	3.1%	-2.9%	3.9%

* - As per I GAAP



Q2 Key Financials – Standalone

Rs. Crs

Particulars	Quarter Ending			Year Ended
	Sep-16	Sep-15	Sep-14	Mar 31, 2016
Total Assets	1,059	1,060	1,036	1,059
Gross Current Assets	1,369	1,358	1,348	1,358
Gross Current Liabilities	871	866	881	868
Net Current Assets	498	491	468	491
Borrowings	244	258	260	255



Q2 Key Financials – Consolidated

Rs Crs

Particulars				Year
	Sep-16	Sep-15	Sep-14	Ended Mar 31, 2016
KEY FINANCIALS				
Total Income	1,188	1,199	1,115	2,625
P B D I T	57	54	62	128
P B T	(8)	(19)	(29)	(34)
P A T	(9)	(16)	(29)	(32)
CASH PROFIT	26	19	9	45
KEY FINANCIAL RATIOS				
P B I D T % AGE	4.8%	4.5%	5.5%	4.9%
P B T % AGE	-0.7%	-1.6%	-2.6%	-1.3%
R O C E % AGE	3.8%	1.2%	-1.5%	5.6%



Q2 Key Financials – Consolidated

Rs. Crs

Particulars	Quarter Ending			Year Ended Mar 31, 2016
	Sep-16	Sep-15	Sep-14	
Total Assets	1,369	1,318	1,341	1,336
Gross Current Assets	2,084	1,907	2,014	1,953
Gross Current Liabilities	1,311	1,182	1,256	1,214
Net Current Assets	773	726	757	739
Borrowings	411	347	380	365



Enriching Lives

Thank You