



Enriching Lives

Kirloskar Brothers Limited.

Financial Analysts Presentation

Q4 - FY 2015-16

Disclaimer



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Companywide Highlights



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- Project business focused on completion of projects as per the commitments given to customers
- Products and packaged systems were appreciated by customers in Europe, North America, Middle-East, North Africa and South-East Asia. Exports sales grew by 8 % based on the demand from international market
- First order for Factory Mutual (FM) and Underwriting Laboratories (UL) certified (FM/UL) fire-fighting pumps was received from Bangladesh.
- Sale of Submersible pumps registered a growth of 44 % over last year. The progress in Mini pump sale was 18 % in terms of quantity and 19% in value in comparison to the previous year
- Handing over of Eight Domestic projects – Ainapur1, Savalgi, Karimasutti, Thimmapur, Chimalgi, Souparnika , Kaythanhalli ,Mulwad and Overseas El Rajihi.
- A repeat order was received from Turkish energy company for its 230 MW Gardabani Combined Cycle Power Plant project in Georgia



Sector Highlights

Irrigation

Highlights

- Vertical Turbine (VT) Pumps for Pattisama Lift Irrigation Scheme commissioned by Hon. Chief Minister of Andhra Pradesh
- VT Pumps and Motors were supplied to L & T for Sauni Lift irrigation project at Gujarat
- Metallic Volute Pumps and Synchronous Motors were dispatched for Koppal Lift irrigation project, Karnataka

Water

Highlights

- Hyderabad Metropolitan Water Supply and Sewerage Board (HMWSSB) Godavari, large Horizontal Split Case pumps for high head were supplied and commissioned
- HMWSSB at Mailardevpally - Horizontal Split Case pumps were successfully commissioned

Sector Highlights



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Power

Highlights

- 3 units of 5 MW each for Barapole Hydro Electric Project of Kerala State Electricity Board (KSEBL) consisting horizontal Francis type hydro turbines were commissioned adding 15 MW of green power. This is the largest capacity hydroelectric project of the company ever installed at single location
- Boiler Feed pumps developed and designed by KBL along with the Condensate Extraction (CE) pumps were supplied through Hyundai Engineering for 1600 MW Mirfa Combined Cycle Power Plant (CCPP) at UAE.
- CW Pump-sets in special material of construction for sea water application were delivered to Toshiba for Thermal Power Project, at Philippines.
- In Bangladesh, CE pumps were supplied for Combined Cycle Power Plant (CCPP). Also, pumps meant for raw water application were provided for CCPP at Bangladesh.

Sector Highlights



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Oil & Gas

Highlights

- Fire water pumps order for Reliance Rewari terminal executed smoothly, resulting in receipt of repeat order for Reliance Chennai, Haldia and Kanpur terminal.
- Fire water pumps order of Air Liquid executed smoothly, resulting in receipt of repeat order of Jockey pump from customer.
- Order executed for UL listed fire pumps at power plant in Bangladesh
- Executed order of Vertical Sump pumps for Reliance which is one of its largest in Vertical Sump pumps segment.

Building & Construction

Highlights

- Inroads were made into the Heating Ventilation and Air Conditioning (HVAC) system market
- Hydro Pneumatic system with Lowest Life Cycle (LLC) cost pumps were supplied for Magarpatta city

Companywide Pending Orders



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Pending Order Board as on March 2016

Sector (Rs. Crs)	1Q Jun-15	2Q Sep-15	3Q Dec-15	4Q Mar-16	4Q % of Total
Irrigation	729	777	750	776	49%
Water Resource Mgmt	190	179	157	196	12%
Power	361	307	297	280	18%
Oil & Gas	47	38	29	30	2%
Marine & Defence	14	13	11	23	1%
Industry	76	35	32	43	3%
Building & Construction	35	25	28	36	2%
KOV Distribution	38	40	39	18	1%
Customer Support & Spare	24	26	38	52	3%
Valves	88	70	45	79	5%
Export Excellence Cell (EEC)		65	88	37	2%
TOTAL	1,601	1,576	1,514	1,570	100%

	Rs. In Crs			
	Jun-15	Sep-15	Dec-15	Mar-16
KBL Standalone	Q 4	Q 1	Q 2	Q 3
Orders Received	463	344	530	586

	Rs. In Crs			
	Jun-15	Sep-15	Dec-15	Mar-16
KBL Consolidated	Q 3	Q 4	Q 1	Q 3
Orders Received	752	612	624	773
Pending Orders on Hand	2,137	2,096	2,299	2,103

Orders of Irrigation sector not commenced for execution amounting to Rs. 395 Cr are excluded from pending orders on hand



Q4 Financials – Standalone Highlights

- Revenue from operations was Rs. 1,656 Cr as against Rs. 1,626 Cr in the previous year, registering a rise of 2 %.
- Product sector sales have increased by 9 %, but Project sector sales have dropped by 16%. Drop in Project Sector sales is attributable to continued market sluggishness and liquidity problems. Further, KBL was selective in taking Project Orders, where payment terms were fair and reasonable to sellers of equipment. Share of product sector sales in total sales increased to 75 % from 70 % in PY.
- KBL continued with the policy of dispatch only against recovery of money for projects business.
- Composite material cost as per cent to sales has marginally increased to 65.3% from 65.2 % in the previous year.
- Total expenditure excluding depreciation and finance cost was Rs. 528 Cr as against Rs. 493 Cr in the previous year. The increase includes the effect of wage settlement, and expenses on Strategy Planning, various marketing initiatives.
- Total finance cost including bank charges was Rs. 37 Cr as against the same amount of Rs. 41 Cr in previous year.



Q4 Financials – Standalone Highlights

- For the year 2015-16, profit before tax was Rs. 6.4 Cr as against Rs. 5.5 Cr in Financial Year 2014-15.
- Rise in inventory by Rs. 19 Cr, mainly at Kirloskarvadi plant on account of Power project.
- Total receivables including retentions have reduced to Rs. 684 Cr as against Rs. 729 Cr in March 2015. In days sales debtors have reduced to 140 days from 152 days in PY.
- Marginal reduction in creditors – Rs. 15 Cr, Creditors in days consumption are at 137 days as against 146 days in March 2015.
- Borrowings as at end of the year were at Rs. 255 Cr as against Rs. 238 Cr as at end of the previous year.



Q4 Financials – Consolidated Highlights

- Drop in consolidated total income by 4% - Rs. 2,625 Cr as against Rs. 2,745 Cr in PY.
- Turnover of domestic subsidiary companies is almost at same level of PY - Rs. 442 Cr vs 445 Cr in PY.
- Turnover of overseas subsidiary companies dropped from Rs. 975 Cr to Rs. 873 Cr - 10% drop.
- Domestic subsidiaries made losses of Rs. 1 Cr as against profit of Rs. 22 Cr in PY. (Drop in PBT of KCPL by Rs. 11 Cr and KEPL by Rs. 21 Cr)
- International subsidiaries made loss of Rs. 16 Cr as against PBT of Rs. 47 Cr in PY. Main reasons are as under:
 - ✓ Loss made by newly acquired company – Rodelta Pumps BV Rs. 5 Cr
 - ✓ Drop in sales of SPP Pumps Ltd by 16%, which resulted into loss for the year of Rs. 8 Cr as against profit of Rs. 53 Cr in the previous year.
 - ✓ Downturn in oil industry on a global scale has affected SPP's performance, major projects in this sector are either cancelled or postponed which has affected the turnover.
- Total group borrowings stand at Rs. 365 Cr as against Rs. 355 Cr.



Five Year Financials – Standalone

Rs. In Crs

Year	FY 12	FY 13	FY 14	FY 15	FY 16
Turnover	1,782	1,872	1,760	1,626	1,656
Domestic	1,667	1,718	1,641	1,498	1,532
Exports	115	154	118	128	125
Total Assets	1,103	1,047	1,024	1,035	1,059
Net Current Assets	569	501	473	483	509
Investment	215	215	215	233	243
Net Fixed Assets	319	331	336	319	306



Five Year Financials – Standalone

Rs. In Crs

Year	FY 12	FY 13	FY 14	FY 15	FY 16
Shareholder's Funds	754	778	800	796	804
Subscribed Capital	16	16	16	16	16
Reserves	738	763	784	780	788
Borrowings	350	268	224	238	255



Five Year Financials – Standalone

Rs. In Crs

Year	FY 12	FY 13	FY 14	FY 15	FY 16
EBDITA	118	148	145	97	83
<i>% to Sales</i>	6.6%	7.9%	8.3%	5.9%	5.0%
PBT	34	72	70	6	6
<i>% to Sales</i>	1.9%	3.8%	4.0%	0.3%	0.4%
PAT	31	43	48	9	12
<i>% to Sales</i>	1.8%	2.3%	2.7%	0.5%	0.7%
Cash Profit	61	75	82	58	51



Five Year Financials – Standalone

Rs. In Crs

Year	FY 12	FY 13	FY 14	FY 15	FY 16
Earnings Per Share - Rs.	3.9	5.5	6.0	1.1	1.5
Cash Earnings Per Share - Rs.	7.7	9.5	10.4	7.3	6.4
Dividend Payout - Rs. In Crores	16	16	20	4	4
<i>Dividend - %</i>	<i>100%</i>	<i>100%</i>	<i>125%</i>	<i>25%</i>	<i>25%</i>
Book Value / Share - Rs. Per Share	95	98	101	100	101
Market Cap - Rs in Crores	992	1,179	1,309	1,528	937
No. of Employees	2,965	3,099	2,887	2,848	2,916
Turnover / Employee - Rs in Crores	0.6	0.6	0.6	0.6	0.6



Five Year Financials – Consolidated

Rs. In Crs

Year	FY 12	FY 13	FY 14	FY 15	FY 16
Turnover	2,554	2,612	2,690	2,728	2,594
In India	1,881	1,862	1,755	1,798	1,655
Outside India	673	750	935	930	939
Total Assets	1,246	1,264	1,292	1,367	1,333
Net Current Assets	725	711	739	783	761
Investment	5	4	0	1	0
Goodwill	78	71	77	63	56
Net Fixed Assets	439	479	476	520	516



Five Year Financials – Consolidated

Rs. In Crs

Year	FY 12	FY 13	FY 14	FY 15	FY 16
Shareholder's Funds	855	931	996	1,012	968
Subscribed Capital	16	16	16	16	16
Reserves	839	915	980	996	952
Borrowings	392	334	297	355	365

Rs. In Crs

Year	FY 12	FY 13	FY 14	FY 15	FY 16
EBDITA	184	215	211	208	96
<i>% to Sales</i>	7.2%	8.2%	7.9%	7.6%	3.7%
PBT	75	112	105	63	(34)
<i>% to Sales</i>	2.9%	4.3%	3.9%	2.3%	-1.3%
PAT	51	66	65	45	(32)
<i>% to Sales</i>	2.0%	2.5%	2.4%	1.7%	-1.2%
Cash Profit	97	115	120	140	45

Consolidated Accounts – 2015 -16



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Rs In Crs

PARTICULARS	TOTAL INCOME		PROFIT / LOSS BEFORE TAX		INCOME TAX		PROFIT AFTER TAX	
	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15
PARENT COMPANY								
KIRLOSKAR BROTHERS LTD	1,680	1,637	6	6	(5)	(3)	12	8
SUBSIDIARY COMPANIES								
KIRLOSKAR BROTHERS INTERNATIONAL B V	873	975	(16)	47	(0)	11	(15)	35
THE KOLHAPUR STEEL LTD.	39	31	(5)	(10)	1	(1)	(5)	(9)
KIRLOSKAR CORROCOAT PVT LTD.	46	72	5	16	2	5	3	11
KIRLOSKAR SYSTECH LTD.	22	20	7	5	2	2	5	3
KARAD PROJECTS & MOTORS LTD.	263	246	5	3	1	1	5	1
SUB TOTAL	2,923	2,981	3	66	(0)	16	4	50
JOINT VENTURE COMPANIES								
KIRLOSKAR EBARA PUMPS LTD. (SHARE 45%)	71	76	(13)	8	(1)	1	(12)	7
TOTAL	2,995	3,057	(10)	74	(2)	17	(8)	57
LESS INTRA GROUP TRANSACTIONS	372	312	17	6	-	-	17	6
Goodwill Amortization	-	-	7	6	-	-	7	6
TOTAL (KBL)	2,622	2,745	(34)	62	(2)	17	(32)	45

Consolidated Accounts – 2015 -16



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Rs. In Crs

PARTICULARS	Net Worth		Borrowings		Total Liabilities	
	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15
PARENT COMPANY						
KIRLOSKAR BROTHERS LTD	805	796	255	238	1,059	1,035
SUBSIDIARY COMPANIES						
KIRLOSKAR BROTHERS INTERNATIONAL B V	240	258	99	103	339	361
THE KOLHAPUR STEEL LTD.	1	(4)	5	15	6	11
KIRLOSKAR CORROCOAT PVT LTD.	9	10	5	0	14	10
KIRLOSKAR SYSTECH LTD.	7	7	0	0	7	7
KARAD PROJECTS & MOTORS LTD.	68	66	0	0	69	66
SUB TOTAL	1,130	1,135	364	356	1,494	1,491
JOINT VENTURE COMPANIES						
KIRLOSKAR EBARA PUMPS LTD. (SHARE 45%)	40	52	2	5	43	57
SUB TOTAL	1,171	1,187	366	361	1,537	1,548
LESS INTRA GROUP TRANSACTIONS	199	175	1	6	203	181
TOTAL (KBL)	972	1,012	365	355	1,334	1,367

Consolidated Accounts – 2015 -16



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Rs. In Crs

PARTICULARS	Net Current Assets		Fixed Assets		Investments		Total Assets	
	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15	Mar-16	Mar-15
PARENT COMPANY								
KIRLOSKAR BROTHERS LTD	513	482	303	319	243	233	1,059	1,035
SUBSIDIARY COMPANIES								
KIRLOSKAR BROTHERS INTERNATIONAL B V	189	226	150	135	0	0	339	361
THE KOLHAPUR STEEL LTD.	(6)	(1)	12	13	0	0	6	11
KIRLOSKAR CORROCOAT PVT LTD.	5	2	8	8	0	0	14	10
KIRLOSKAR SYSTECH LTD.	5	3	3	4	0	0	7	7
KARAD PROJECTS & MOTORS LTD.	43	38	26	28	0	0	69	66
SUB TOTAL	749	750	502	508	243	233	1,494	1,491
JOINT VENTURE COMPANIES								
KIRLOSKAR EBARA PUMPS LTD. (SHARE 45%)	23	35	20	22	0	0	43	57
SUB TOTAL	772	785	522	530	243	233	1,537	1,548
LESS INTRA GROUP TRANSACTIONS	7	5	50	57	243	233	203	181
TOTAL (KBL)	765	780	572	587	0	0	1,334	1,367



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Thank You