



Enriching Lives

Kirloskar Brothers Limited.

Financial Analysts Presentation

Q4 - FY 2016 -17

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.

Sector Highlights



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Irrigation

1. For the year booking for Irrigation Sector surpassed Rs. 400 Cr. This includes major orders from Senegal and Suriname, beside other local orders like Penganga project, Yettinahole LIS, Garoth and Mohanpura LIS.

Power

1. Received break through order for design, development, manufacturing and testing of the Main Boiler Feed Pump for 700 MW project.
2. Received order for 400 MW Bibiyana Combined Cycle Power Plant (CCPP) in Bangladesh.
3. Successfully commissioned 4 Nos. of BHM 85 M CW pumps for 3x55 MW Balingasag Thermal Power Project in Philippines

Sector Highlights



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Oil & Gas:

1. **Obtained Engineers India Limited's approval for KEPL's Drive Turbines for API market and succeeded in bagging order for drive turbine from BHEL for Indian Oil Corporation Limited Haldia.**
2. **We received orders for the BS - IV Projects of Indian Oil Corporation Limited, Baroda and Chennai Petroleum Corporation Limited.**

Marine and Defense

1. **We successfully completed design, supply, erection, and commissioning of cooling piping system for ISRO.**
2. **We also successfully completed design, supply and commissioning of FM/UL BHR 34C and other small and medium pumps for Goa Shipyard.**

Industry Sector

1. **We have achieved 30% growth over previous year in our sale of pumps for process applications.**

Building and Construction

1. During the year achieved sales of 246 sets of HYPN, registering growth over 25% over Previous Year.
2. We have successfully executed order for 2nd Containerized Fire Set.

Execution

1. On project execution, during the year, we have successfully physically closed 9 projects and financially closed 17 projects.

Export

1. We have achieved export sales of Rs. 167 Cr in this year. Some of the major orders executed include –
 - a) Technicas Reunidas Spain for Saudi Aramco Jazzan project: 4 Nos. Motor driven main fire water Pumps + 4 Nos. Engine driven main fire water Pumps.
 - b) 10 Nos. large split casing pumps for Viransehir Project in Turkey
 - c) 6 nos CVP for BMA Thailand - this was first Export order for CVP Pumps.
2. We received repeat order from Al Majis SOHAR Oman for supply of 3 Nos. Vertical Turbine Pumps.

Sector Highlights



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Small Pump Business

1. We have achieved 13% growth over PY
2. In the Month of March we achieved highest monthly dispatches of small pumps from our plants at Dewas, Sanand and Kaniyur
3. We have rolled out the channel financing scheme for our primary dealers network.

Customer Support & Spares

1. "We-Care" Portal is implemented at 177 service centers.
2. For Small Pumps, we appointed 54 new Authorised Service Centres.

Valve

1. We manufactured the largest size Multi Door Non Return Valve of 2000mm weighing 48 ton and 1000mm Knife Gate Valve.
2. We developed 1200mm fabricated Flap Valve (PN 2).

Companywide Pending Orders



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Sector (Rs.Crs)	Q - 1 Jun-16	Q - 2 Sep-16	Q - 3 Dec-16	* Q - 4 Mar-17	Q - 4 % of Total
Irrigation	699	672	668	677	45%
Water Resource Mgmt	190	189	163	168	11%
Power	248	275	303	360	24%
Oil & Gas	45	39	33	36	2%
Marine & Defence	23	5	10	30	2%
Industry	61	78	91	61	4%
Building & Construction	29	34	38	42	3%
KOV Distribution				-	0%
Customer Support & Spare	42	11	44	10	1%
Valves	99	79	21	85	6%
Export Excellence Cell (EEC)	71	74	46	44	3%
TOTAL	1,507	1,456	1,417	1,513	100%

	Rs. In Cr			
	Jun-16	Sep-16	Dec-16	Mar-17
KBL Standalone	Q 1	Q 2	Q 3	Q 4
Orders Received	569	558	394	665

	Rs. In Cr			
	Jun-16	Sep-16	Dec-16	Mar-17
KBL Consolidated	Q 1	Q 2	Q 3	Q 4
Orders Received	657	632	660	994
Pending Orders on Hand	2,315	2,337	2,000	2,136

* Excluding Orders kept on hold Rs. 188 Cr, and orders for which work not commenced Rs. 421 Cr



Q4 Financials – Standalone Highlights

1. These statements are prepared as per new accounting standards- IND AS which are applicable for accounts prepared for period commencing from 1st April, 2016. Figures for FY 2015-16 are also as per IND AS. Figures of FY 2012-13, 2013-14 and 2014-15 are as per old IGAAP.
2. Revenue from operations was Rs. 1,823 Cr as against Rs. 1,721 Cr in the previous year, registering a rise of 6%.
3. Both Project sector and Product sector sales have increased by 12%, and 5% respectively. Further, KBL was selective in taking Project Orders, where payment terms were fair and reasonable to sellers of equipment.
4. For FY 2016-17, share of product sectors sale in total company was 75% and same for project sectors was 25%. Further, sale of products within project sectors sales was 66%. Thus less than 10% revenue came from project activities.
5. KBL continued with the policy of dispatch only against recovery of money for projects business.



Q4 Financials – Standalone Highlights

5. **Composite materials cost has come down by 2.8 %. Various factors have contributed to achieve this, such as improved sale of spare parts, better negotiations, change in terms of sale to dealers etc.**
6. **Total finance cost including bank charges was Rs. 32 Cr as against Rs. 38 Cr in previous year on account of lower utilization and change in facilities used.**
7. **For the year 2016-17, profit before tax was Rs. 53 Cr as against Rs. 7 Cr in Financial Year 2015-16.**
8. **Rise in inventory by Rs. 54 Cr, mainly on account of materials procured against firm orders under manufacturing and goods in transit at the year end.**
9. **Despite rise in sales by 6% total receivables including retentions have marginally increased from Rs. 691 Cr to Rs. 693 Cr. In days sales debtors have reduced to 133 days from 140 days in PY.**
10. **Borrowings as at end of the year were at Rs. 189 Cr as against Rs. 254 Cr as at end of the previous year.**



Q4 Financials – Consolidated Highlights

1. Consolidated turnover at the same level of PY Rs. 2,657 Cr in CY as against Rs. 2,642 Cr in PY
2. Turnover of overseas subsidiary companies declined from Rs. 871 Cr to Rs. 785 Cr – (10%) - Downturn in oil industry on a global scale has affected SPP's performance. Major projects in this sector were either cancelled or postponed. Major global pump companies have reported decline in their sales and profit in FY 2016.
3. Total consolidated PBT is at Rs. 16 Cr as against loss of Rs. 15 Cr in PY.
4. PBT of domestic subsidiaries including JV Company is Rs 13 Cr as against loss of Rs. 7 Cr in PY.
5. International subsidiaries made loss of Rs. 45 Cr as against loss of Rs.15 Cr in PY. Main reasons are as under:
 - a) Loss made by recently acquired company – Rodelta Pumps BV of Rs. 10 Cr
 - b) In current year, sales of SPP Pumps Ltd declined by 16% due to collapse in the global Oil and Gas Market, but it managed to make a small operating profit by controlling costs. After debiting finance costs of Rs. 6 Cr and booking losses on foreign currency transactions of Rs. 12 Cr, it has reported a loss of Rs. 18 Cr. Major portion of loss on foreign currency transactions is expected to be recouped in current year.
6. Total group borrowings stand at Rs. 359 Cr as against Rs. 362 Cr.



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Five Year Financials - Standalone

Rs. In Cr

Year	FY 13	FY 14	FY 15	FY 16	FY 17
Turnover	1,872	1,760	1,626	1,721	1,823
Domestic	1,718	1,641	1,498	1,577	1,656
Exports	154	118	128	144	167
Total Assets	1,047	1,024	1,035	1,060	1,027
Net Current Assets	501	473	483	519	493
Investment	215	215	233	239	239
Net Fixed Assets	331	336	319	302	295

Five Year Financials - Standalone



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Rs. In Cr

Year	FY 13	FY 14	FY 15	FY 16	FY 17
Shareholder's Funds	778	800	796	806	838
Subscribed Capital	16	16	16	16	16
Reserves	763	784	780	790	822
Borrowings	268	224	238	253	189



Five Year Financials - Standalone

Rs. In Cr

Year	FY 13	FY 14	FY 15	FY 16	FY 17
EBDITA	148	145	97	86	124
<i>% to Sales</i>	7.9%	8.3%	5.9%	5.0%	6.8%
PBT	72	70	6	7	53
<i>% to Sales</i>	3.8%	4.0%	0.3%	0.4%	2.9%
PAT	43	48	9	11	33
<i>% to Sales</i>	2.3%	2.7%	0.5%	0.6%	1.8%
Cash Profit	75	82	58	52	73



Five Year Financials - Standalone

Rs. In Cr

Year	FY 13	FY 14	FY 15	FY 16	FY 17
Earnings Per Share - Rs.	5.5	6.0	1.1	1.4	4.2
Cash Earnings Per Share - Rs.	9.5	10.4	7.3	6.5	9.2
Dividend Payout - Rs. In Crores	16	20	4	4	8
<i>Dividend - %</i>	<i>100%</i>	<i>125%</i>	<i>25%</i>	<i>25%</i>	<i>50%</i>
Book Value / Share - Rs. Per Share	98	101	100	102	106
Market Cap - Rs in Crores	1,179	1,309	1,528	937	2,014
No. of Employees	3,099	2,887	2,848	2,916	3014
Turnover / Employee - Rs in Crores	0.6	0.6	0.6	0.6	0.6



Five Year Financials - Consolidated

Rs. In Cr

Year	FY 13	FY 14	FY 15	FY 16	FY 17
Turnover	2,612	2,690	2,728	2,642	2,657
Domestic	1,862	1,755	1,798	1,703	1,789
Exports	750	935	930	939	868
Total Assets	1,264	1,292	1,367	1,286	1,260
Net Current Assets	711	739	783	737	730
Investment	4	0	1	40	46
Goodwill	71	77	63	18	18
Net Fixed Assets	479	476	520	491	467



Five Year Financials - Consolidated

Rs. In Cr

Year	FY 13	FY 14	FY 15	FY 16	FY 17
Shareholder's Funds	931	996	1,012	925	901
Subscribed Capital	16	16	16	16	16
Reserves	915	980	996	909	885
Borrowings	334	297	355	362	359

Rs. In Cr

Year	FY 13	FY 14	FY 15	FY 16	FY 17
EBDITA	215	211	208	90	131
<i>% to Sales</i>	8.2%	7.9%	7.6%	3.4%	4.9%
PBT	112	105	63	(15)	16
<i>% to Sales</i>	4.3%	3.9%	2.3%	-0.6%	0.6%
PAT	66	65	45	(23)	4
<i>% to Sales</i>	2.5%	2.4%	1.7%	-0.9%	0.1%
Cash Profit	115	120	140	43	69

Consolidated Accounts 2016 - 17



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PARTICULARS	TOTAL INCOME		PROFIT / LOSS BEFORE TAX		INCOME TAX		PROFIT AFTER TAX	
	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16
PARENT COMPANY								
Kirloskar Brothers Ltd	1,841	1,742	53	7	20	(3)	33	11
SUBSIDIARY COMPANIES								
Kirloskar Corrocoat Ltd	30	48	(1)	5	(0)	2	(1)	3
The Kolhapur Steels Ltd	36	45	(5)	(5)	(0)	1	(4)	(5)
Karad Projects and Motors Ltd	337	297	13	5	0	1	13	4
Kirloskar International BV (Consolidated)	785	871	(45)	(15)	(4)	(0)	(41)	(15)
SUB TOTAL	1,189	1,260	(37)	(10)	(4)	3	(33)	(12)
JOINT VENTURE COMPANIES								
Kirloskar Ebara Pumps Ltd. (45%) share	-	-	5	(12)	-	-	5	(12)
TOTAL	3,030	3,002	22	(14)	16	(1)	5	(14)
Less : Inter group transactions	342	334	(0)	13	(2)	3	2	10
TOTAL (KBL)	2,687	2,669	22	(27)	18	(4)	4	(23)



Consolidated Accounts 2016 - 17

PARTICULARS	TOTAL INCOME		PROFIT / LOSS BEFORE TAX		INCOME TAX		PROFIT AFTER TAX	
	Dec-16	Dec-15	Dec-16	Dec-15	Dec-16	Dec-15	Dec-16	Dec-15
PARENT COMPANY								
Kirloskar Brothers International BV	1	10	(7)	10	-	-	(7)	10
SUBSIDIARY COMPANIES							-	
Kirloskar Pompen BV (Consolidated)	54	48	(16)	(3)	(3)	(1)	(14)	(2)
SPP Pumps Ltd. (Consolidated)	634	737	(18)	(7)	(2)	1	(16)	(9)
Micawber 784	2	1	0	0	0	(0)	0	0
Kirloskar Brothers Thailand Ltd. (C	71	38	2	0	0	0	2	0
SPP Pumps (Mena) LLC	2	2	(1)	(3)	0	0	(1)	(3)
KBI PTY (Consolidated)	35	46	(4)	(3)	0	(1)	(4)	(2)
SUB TOTAL	799	882	(43)	(5)	(4)	(0)	(39)	(5)
Less: Inter company transactions	15	11	1	9	(0)	-	1	9
Goodwill Amortization		-		0	-	-	-	0
TOTAL (KBI BV)	784	871	(45)	(15)	(4)	(0)	(41)	(15)

Consolidated Accounts 2016 - 17



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PARTICULARS	Net Worth		Borrowings		Current & Non Current Liabilities		Total Liabilities	
	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16
PARENT COMPANY								
Kirloskar Brothers Ltd	838	806	189	254	939	908	1,966	1,969
SUBSIDIARY COMPANIES								
Kirloskar Corrocoat Ltd	8	9	4	5	11	13	23	27
The Kolhapur Steels Ltd	(3)	(24)	6	30	20	16	22	22
Karad Projects and Motors Ltd	81	69	1	0	89	63	171	132
Kirloskar International BV (Consolidated)	172	239	160	99	279	257	611	595
SUB TOTAL	258	292	171	134	399	349	828	775
JOINT VENTURE COMPANIES								
Kirloskar Ebara Pumps Ltd. - (45%) share	0	0	0	0	0	0	-	-
TOTAL	1,096	1,098	360	388	1,338	1,257	2,794	2,744
Less : Inter group transactions	195	174	1	26	114	69	311	269
TOTAL (KBL)	901	925	359	362	1,224	1,188	2,483	2,474

Consolidated Accounts 2016 - 17



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Rs. In Cr

PARTICULARS	Fixed Assets		Investments		Current & Non Current Assets		Total Assets	
	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16
PARENT COMPANY								
Kirloskar Brothers Ltd	295	302	239	239	1,432	1,428	1,966	1,969
SUBSIDIARY COMPANIES								
Kirloskar Corrocoat Ltd	7	8	0	0	16	19	23	27
The Kolhapur Steels Ltd	12	12	0	0	11	9	22	22
Karad Projects and Motors Ltd	29	26	0	0	142	106	171	132
Kirloskar International BV (Consolidated)	135	155	0	0	476	440	611	595
SUB TOTAL	183	201	0	0	645	574	828	775
JOINT VENTURE COMPANIES								
Kirloskar Ebara Pumps Ltd. - (45%) share	0	0	0	0	0	0	-	-
TOTAL	478	503	239	239	2,077	2,002	2,794	2,744
Less : Inter group transactions	(24)	(24)	193	199	141	95	311	269
TOTAL (KBL)	502	527	46	40	1,936	1,907	2,483	2,474



Consolidated Accounts 2016 - 17

PARTICULARS	Net Worth		Borrowings		Current & Non Current Liabilities		Total Liabilities	
	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16
PARENT COMPANY								
Kirloskar Brothers International BV	138	145	-	-	6	0	144	146
SUBSIDIARY COMPANIES								
Kirloskar Pompen BV (Consolidated)	(6)	7	31	21	37	23	63	51
SPP Pumps Ltd. (Consolidated)	160	194	88	55	168	206	415	454
Micawber 784	3	3	9	8	1	0	12	11
Kirloskar Brothers Thailand Ltd. (Consolidated)	4	2	28	14	52	15	84	32
SPP Pumps (Mena) LLC	(19)	(13)	17	14	6	9	5	9
KBI PTY (Consolidated)	(2)	2	14	11	12	11	25	24
SUB TOTAL	140	194	187	122	277	264	604	580
Less: Inter company transactions	(106)	(101)	(27)	(23)	(4)	(8)	(136)	(131)
TOTAL (KBI BV)	172	239	160	99	279	257	611	595



Consolidated Accounts 2016 - 17

PARTICULARS	Fixed Assets		Investments		Current & Non Current Assets		Total Assets	
	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16	Mar-17	Mar-16
PARENT COMPANY								
Kirloskar Brothers International BV	0	-	104	105	47	49	151	153
SUBSIDIARY COMPANIES								
Kirloskar Pompen BV (Consolidated)	8	10			58	42	67	53
SPP Pumps Ltd. (Consolidated)	111	127			290	320	401	447
Micawber 784	12	11			(8)	(6)	5	5
Kirloskar Brothers Thailand Ltd. (Consolidated)	1	1			97	37	98	37
SPP Pumps (Mena) LLC	2	4			3	4	4	8
KBI PTY (Consolidated)	2	3			25	24	27	27
SUB TOTAL	136	155	0	0	468	426	602	577
Less: Inter company transactions	(0)	(0)	(104)	(105)	(37)	(31)	(142)	(136)
TOTAL (KBI BV)	135	155	0	0	477	443	611	595



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Thank You