



Enriching Lives

KIRLOSKAR BROTHERS LTD.

**FINANCIAL ANALYSTS MEET
QUARTER 1**

FY 2013-14

JULY 30, 2013

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



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- Overall economic scenario and bearish undercurrents affected revenue and profitability
- Improving quality of Balance Sheet continues to be main financial agenda
- Focus on selective sale depending upon customer financial position continues.
- Focus on closure of old projects and recovery of retention money continues.
- Merger of Hematic Motors Pvt Ltd with KCEL approved by Honourable Bombay and Madras High Courts

SECTOR HIGHLIGHTS



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IRRIGATION

- Achieved contract completion of SSNNL at June-end and commenced six months of contractual O&M.
- Successfully completed pump model testing of KBL's first in-house designed MVP for Kaleshwaram Project

WATER RESOURCE MANAGEMENT

- Collected retention payment from BWSSB Project.

SECTOR HIGHLIGHTS



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POWER

- Signed agreement with SNC Lavalin Canada for Supplier of Choice for sourcing pumps for their global projects.
- Commissioned :
 - 2x2 MW Panwi HEP
 - 6x660 MW Reliance Sasan Ultra Mega Power Plant
 - 2X300 MW Dhariwal Power Project (Unit 1)

GAS OIL & DEFENCE

- Work progressing on ONGC platforms as planned
- Received orders from Linde Germany & Mazgaon Dockyard.

SECTOR HIGHLIGHTS



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INDUSTRY

- Efforts continue in arranging seminars / presentations to showcase KBL as a process pump manufacturer

BUILDING & CONSTRUCTION

- Approvals received from major HVAC consultants for variable speed pumping system
- Focus on replacement business continues.

SECTOR HIGHLIGHTS



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DISTRIBUTION

- SMDS implemented and running well
- Appointed 20 new dealers

CUSTOMER SERVICE & SUPPORT

- Authorized Refurbishment Centre opened at Surat
- Working closely with Tata Steel for refurbishment of pumps installed at Jamshedpur facility

FACTORY HIGHLIGHTS



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- Dispatched the following major orders:
 - ✓ UP 350/66 - 3 Pump sets A/C Linde AG
 - ✓ KP DV 65/26L – 2 Nos. A/C Coast Guard Marine.
 - ✓ BHM 50 - 3 Nos. A/C BGR.

FACTORY HIGHLIGHTS



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DEWAS, SHIRWAL & COIMBATORE

- Delegates from International Regional Offices visited Dewas and Shirwal
- Mahila Mission 20 Project successfully completed at Coimbatore plant
- Sanand plant production and dispatches going as planned

KONDHAPURI

- ISO 50001 (EnMS) certification received
- UL qualification testing successfully completed for 300mm, 350mm, 400mm NRS Gate Valves and 300mm OS&Y Gate Valve
- New Product developed for Butterfly Valve PN 25 Rating

COMPANYWIDE PENDING ORDERS



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Sector (Rs.in Crores)	2Q Sep-12	3Q Dec-12	4Q Mar-13	1Q Jun-13	1Q % of Total
IRRIGATION	1,234	1,207	1,149	1,113	57%
WATER RESOURCE MANAGEMENT	223	262	218	206	11%
POWER	585	585	521	462	24%
GAS OIL DEFENSE	75	64	72	25	1%
INDUSTRY	63	57	47	57	3%
BUILDING & CONSTRUCTION	29	26	31	29	1%
DISTRIBUTION	41	31	40	45	2%
CUSTOMER SERVICE & SPARES	31	21	23	22	1%
TOTAL	2,281	2,253	2,101	1,958	100%

	Rs. In Crores			
	Sep-12	Dec-12	Mar-13	Jun-13
KBL Standalone	Q 2	Q 3	Q 4	Q 1
Orders Received	315	372	397	278

	Rs. In Crores			
	Sep-12	Dec-12	Mar-13	Jun-13
KBL Consolidated	Q 2	Q 3	Q 4	Q 1
Orders Received	519	635	709	485
Pending Orders on Hand	2,645	2,652	2,637	2,521

Q1 FINANCIALS – STANDALONE HIGHLIGHTS



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- Reduction in borrowings by Rs.11 crores over March 2013 and by Rs. 82 crores over June 2012.
- Cash generation of Rs.14 crores during Q1 as compared to Rs. 5 crores in June 2012 quarter (excluding income tax refund Rs. 35 crores)
- Net reduction in retention debtors by Rs. 8 crores during Q1.
- Revenue from operations is Rs. 426 crores as against Rs. 442 crores in PY – fall of 4%
- KBL continued to be selective with orders and execution to improve sales mix, which resulted in sale of manufactured products going up to 60% as against 56% in Q1 of previous year.
- PBT is Rs. 5 crores as against Rs. 11 crores in PY, mainly due to higher notional forex loss on foreign currency borrowings by Rs. 2 crores (consequent to huge Rupee depreciation) and lower sale of Industry sector and spares compared to PY.

Q1 KEY FINANCIALS - STANDALONE



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Particulars	Quarter Ending			Year Ended
	Jun-13	Jun-12	Jun-11	Mar 31, 2013
Rs. Crs				
KEY FINANCIALS				
Total Income	427	444	467	1,879
P B D I T	19	26	62	137
P B T	5	11	47	72
P A T	3	9	36	43
CASH PROFIT	12	17	44	75
KEY FINANCIAL RATIOS				
P B I D T % AGE	4.4%	6.0%	13.3%	7.3%
P B T % AGE	1.2%	2.5%	10.0%	3.8%
R O C E % AGE	4.0%	6.9%	17.6%	10.0%

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

Q1 KEY FINANCIALS - STANDALONE



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Rs. Crs

Particulars	Quarter Ending			Year Ended Mar 31, 2013
	Jun-13	Jun-12	Jun-11	
Total Assets	1,039	1,102	1,241	1,047
Gross Current Assets	1,493	1,504	1,753	1,485
Gross Current Liabilities	997	979	1,060	988
Net Current Assets	496	524	694	497
Borrowings	257	339	457	268

Q1 KEY FINANCIALS -CONSOLIDATED



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Rs. Crs

Particulars	Quarter Ending			Year Ended Mar 31, 2013
	Jun-13	Jun-12	Jun-11	
KEY FINANCIALS				
Total Income	707	617	647	2,628
P B D I T	25	49	74	215
P B T	2	23	55	112
P A T	(1)	18	41	66
CASH PROFIT	12	30	51	115
KEY FINANCIAL RATIOS				
P B I D T % AGE	3.6%	7.9%	11.4%	8.2%
P B T % AGE	0.3%	3.8%	8.5%	4.3%
R O C E % AGE	3.7%	11.5%	17.6%	13.1%

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

Q1 KEY FINANCIALS - CONSOLIDATED



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				Rs. Crs
Particulars	Quarter Ending			Year Ended Mar 31, 2013
	Jun-13	Jun-12	Jun-11	
Total Assets	1,341	1,263	1,447	1,271
Gross Current Assets	2,116	2,018	2,192	1,847
Gross Current Liabilities	1,347	1,319	1,372	1,129
Net Current Assets	769	699	820	718
Borrowings	394	372	499	334



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THANK YOU