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# **Kirloskar Brothers Limited.**

## **Financial Analysts Presentation**

### **Q1 - 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.

# Companywide Highlights

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- KBL along with its global subsidiaries, SPP Pumps and Rodelta Pumps, had showcased products at IFAT 2016, in Munich, Germany. A footfall of approx. 3500 visitors in 5 days, 160 enquiries generated and Mobile SPP pump worth Euro 63,500 sold on spot.

# Sector Highlights

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## **Water resource Management**

- Order from Srinagar Municipal Corporation for prime Pump sets.
- Order from Jalkal Vibhag Lucknow for 6 Vertical Turbine (LLC), 2 Horizontal Split-case (LLC) and 3 Auto prime Pump-sets (Motor driven sets).

## **Irrigation**

- Vietnam project progressing on positive note. While Civil work is progressing well, clarifications to BOQ completed with permission to move forward for Electro-mechanical equipment manufacture and supplies completion by December 31, 2016.

# Sector Highlights

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## **Power**

- Received order for CW, ACW, RWP and CEP pump package received for 400 MW Combined Cycle Power Plant in Bangladesh through EPC contractor.
- Order for 8 sets of Boiler Feed Pump for 240 MW Kinyerezi Combined Cycle Power Plant in Tanzania.

## **Industry**

- Order received for 21 Horizontal Split-case pump-sets.

## **Oil & Gas**

- Order received from a contractor in China consisting 28 Non-API pumps package for Polypropylene plant of the Indian Oil Corporation Limited, Paradeep .

## **Building & Construction**

- First order booked from Bangladesh for FM/UL Pumping system.
- New products were added for fire fighting requirements.

# Companywide Pending Orders



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## Pending Order Board as on June 2016

Sector (Rs. Crs)	2Q Sep-15	3Q Dec-15	4Q Mar-16	1Q Jun-16	1Q % of Total
Irrigation **	777	750	776	699	46%
Water Resource Mgmt	179	157	196	190	13%
Power	307	297	280	248	16%
Oil & Gas	38	29	30	45	3%
Marine & Defence	13	11	23	23	2%
Industry	35	32	43	41	3%
Building & Construction	25	28	36	29	2%
KOV Distribution	40	39	18	20	1%
Customer Support & Spare	26	38	52	42	3%
Valves	70	45	79	99	7%
Export Excellence Cell (EEC)	65	88	37	71	5%
<b>TOTAL</b>	<b>1,576</b>	<b>1,514</b>	<b>1,570</b>	<b>1,507</b>	<b>100%</b>

Rs. In Crs

	Sep-15	Dec-15	Mar-16	Jun-16
KBL Standalone	Q 2	Q 3	Q 4	Q 1
Orders Received	463	344	586	569

Rs. In Crs

	Sep-15	Dec-15	Mar-16	Jun-16
KBL Consolidated	Q 2	Q 3	Q 4	Q 1
Orders Received	752	612	624	657
Pending Orders on Hand	2,137	2,096	2,299	2,315

\*\* Orders exclude Rs. 324 Crs where work not commenced and Rs. 189 Crs where work kept on hold as per customers advice



# Q1 Financials – Standalone Highlights

## Highlights:

- Income from operations in Q1 of CY is at the same level of Q1 of PY at Rs. 374 Crs M as against Rs. 379 Crs – fall of 1%.
- Sales of Product sectors is at Rs. 306 Crs as against Rs. 304 Crs in Q1 of PY. Project sector sales are at Rs. 67 Crs as against Rs. 74 Crs in Q1 of PY, (fall of 10%).
- CY Q1 loss stands at Rs.3.2 Crs as against profit of Rs. 6.2 Crs in Q1 of PY mainly due to –
  - ✓ Rise in materials cost by 2%, due to prior committed prices.
  - ✓ PY included dividend from subsidiary companies Rs. 8 crs.
- CY Q1 operating expenses are lower Rs. 11.4 crs over Q1 of PY.
- Net working capital has gone down from Rs. 492 Crs in March 2016 to Rs. 462 Crs in June 2016 mainly on account of improved collections from customers in Q1.
- Reduction in working capital has helped in reduction in borrowings by Rs. 28 Crs over March 2016 and saving in finance cost.



# Q1 Key Financials – Standalone

Rs. Crs

Particulars	Quarter Ending			Year Ended
	Jun-16	Jun-15	June -14 *	Mar 31, 2016
<b>KEY FINANCIALS</b>				
Total Income	378	393	335	1,747
P B D I T	14	25	(0)	86
P B T	(4)	6	(22)	9
P A T	(3)	8	(20)	14
CASH PROFIT	6	18	(8)	53
<b>KEY FINANCIAL RATIOS</b>				
P B I D T % AGE	3.7%	6.4%	-0.1%	4.9%
P B T % AGE	-1.0%	1.6%	-6.6%	0.5%
R O C E % AGE	1.3%	5.6%	-5.6%	4.0%

\* - As per I GAAP



# Q1 Key Financials – Standalone

Rs. Crs

Particulars	Quarter Ending			Year Ended Mar 31, 2016
	Jun-16	Jun-15	Jun-14	
Total Assets	1,029	1,030	1,010	1,061
Gross Current Assets	1,332	1,330	1,327	1,360
Gross Current Liabilities	869	862	860	868
Net Current Assets	462	468	466	492
Borrowings	226	226	234	255



# Q1 Key Financials – Consolidated

Rs In Crs

Particulars				Year
	Jun-16	Jun-15	Jun-14	Ended Mar 31, 2016
<b>KEY FINANCIALS</b>				
Total Income	589	586	487	2,625
P B D I T	4	22	(12)	96
P B T	(23)	(6)	(42)	(34)
P A T	(21)	(6)	(39)	(32)
CASH PROFIT	(3)	11	(20)	45
<b>KEY FINANCIAL RATIOS</b>				
P B I D T % AGE	0.7%	3.8%	-2.4%	3.6%
P B T % AGE	-4.0%	-1.0%	-8.6%	-1.3%
R O C E % AGE	-4.0%	1.5%	-9.2%	5.6%

# Q1 Key Financials – Consolidated



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Rs. Crs

Particulars	Quarter Ending			Year Ended Mar 31, 2016
	Jun-16	Jun-15	Jun-14	
<b>Total Assets</b>	1,344	1,341	1,341	1,336
<b>Gross Current Assets</b>	2,020	2,002	1,931	1,953
<b>Gross Current Liabilities</b>	1,283	1,249	1,176	1,214
<b>Net Current Assets</b>	737	754	755	739
<b>Borrowings</b>	396	346	381	365



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**Thank You**