



Enriching Lives

KIRLOSKAR BROTHERS LIMITED

A Kirloskar Group Company

SEC/ F:25

November 11, 2025

BSE Limited

Corporate Relationship Department,
2nd Floor, New Trading Ring,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai – 400 001.

(BSE Scrip Code – 500241)

National Stock Exchange of India Ltd.

5th Floor, Exchange Plaza,
Bandra (East)
Mumbai – 400 051.

(NSE Symbol - KIRLOSBROS)

Dear Sir/Madam,

Sub: Transcript of Conference Call with Analysts / Investors on Unaudited Financial Results for the Quarter and Half-year ended on September 30, 2025

Ref: Regulation 30 & 46 read with Clause 15 of Para A of Part A of Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

This is in continuation of our letter dated October 28, 2025 giving intimation of the subject mentioned conference call and subsequently furnishing the web link for accessing the Audio recording of the said conference call vide our letter dated November 04, 2025.

Please find attached the transcript of the above said Conference Call held on November 04, 2025 with Analysts / Investors on Unaudited Financial Results of the Company for the quarter and half-year ended September 30, 2025.

Please note that the said transcript has also been uploaded on the website of the Company (<https://www.kirloskarpumps.com/>) which can be accessed at the following link:

Link: <https://www.kirloskarpumps.com/investors/analyst-meeting-transcript/>

This is for your information and records.

Thanking you,

Yours faithfully,

For **KIRLOSKAR BROTHERS LIMITED**

Devang Trivedi
Company Secretary

Encl.: As above.



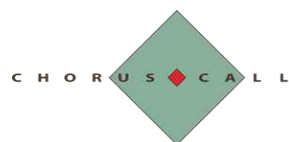
Enriching Lives

“Kirloskar Brothers Limited
Q2 FY '26 Earnings Conference Call”
November 04, 2025

Disclaimer: E&OE - This transcript is edited for factual errors. In case of discrepancy, the audio recording uploaded on the stock exchange on 04th November 2025 will prevail.



Enriching Lives



**MANAGEMENT: MR. SANJAY KIRLOSKAR – CHAIRMAN AND
MANAGING DIRECTOR – KIRLOSKAR BROTHERS
LIMITED
MR. ALOK KIRLOSKAR – MANAGING DIRECTOR,
KIRLOSKAR BROTHERS INTERNATIONAL B.V.
MS. RAMA KIRLOSKAR – JOINT MANAGING DIRECTOR
– KIRLOSKAR BROTHERS AND MANAGING DIRECTOR –
KIRLOSKAR EBARA PUMPS LIMITED
MR. HEMANT SHALIGRAM – ASSOCIATE VICE
PRESIDENT – KIRLOSKAR BROTHERS LIMITED**



Moderator:

Ladies and gentlemen, good day. And welcome to Kirloskar Brothers Limited Q2 FY '26 Earnings Conference Call. This conference call may contain forward-looking statements about the company, which are based on the beliefs, opinions and expectation of the company as on the date of this call. These statements are not guarantee of future performance and involves risks and uncertainties that are difficult to predict.

As a reminder, all participant lines will be in the listen only mode and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, you may signal an operator by pressing star then zero on your touchtone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Sanjay Kirloskar, Chairman and Managing Director from Kirloskar Brothers Limited. Thank you, and over to you, sir.

Sanjay Kirloskar:

Thank you. Good afternoon, everyone. On behalf of Kirloskar Brothers Limited, I extend a very warm welcome to everyone for joining us on the call today. I hope all have had the opportunity to go through the financial results and investor presentation, which have been uploaded on the stock exchanges and on the company's website.

On this call, I have with me Mr. Alok Kirloskar, Managing Director, Kirloskar Brothers International B.V.; Ms. Rama Kirloskar, Joint Managing Director, KBL and MD Kirloskar Ebara Pumps Limited; and as Mr. Chheda is on leave, Mr. Hemant Shaligram, AVP, who is his Deputy, is also here; and Strategic Growth Advisors, our Investor Relations Advisors.

Talking about our Q2 fiscal year '26 performance, let me begin my remarks by giving some business highlights. For the quarter ended September 30, 2025, our consolidated revenue stood at Rs.1,028 crores, remaining broadly stable on a year-on-year basis.

For the first half of fiscal year '26, revenue was Rs.2,007 crores, reflecting a modest decline of 3% compared to the same period last year. While the quarter was marked by certain seasonal and external challenges, our diversified business model and disciplined execution helped us maintain stability and position the company for stronger growth in the coming quarters.

Our standalone performance was temporarily affected by seasonal headwinds, particularly due to an extended monsoon. However, demand across both the small pumps and industrial segments remained robust, demonstrating the inherent strength and resilience of our diversified portfolio.

As all of you are aware, our company maintains its strict commercial policies. While we were quite hopeful when the center released funds for Jal Jeevan Mission, dispatches and further manufacturing have been held due to non-release of funding at state level.

Excluding the small pumps business, our standalone order book stands at Rs.2,127 crores, a strong 13% growth over the previous year, underscoring a healthy pipeline and sustained customer confidence. Domestic subsidiaries have registered a revenue growth of 14% year-on-year and PAT has improved by 26% year-on-year.



On the international business performance, our operations in the US and Thailand delivered strong year-on-year growth of 21% and 158%, respectively, in constant currency. This impressive performance was driven by the execution of orders that were deferred from earlier quarters due to election-related delays, along with an improvement in overall product demand.

South Africa also continued to perform exceptionally well, registering a 27% growth in constant currency. While the UK operations faced temporary softness due to delay of certain orders to subsequent quarters, the overall international order book remains strong, expanding 25% year-on-year to Rs.1,289 crores. These results reaffirm the strength of our global presence and our ability to capture growth across diverse markets.

EBITDA for the quarter stood at Rs.124 crores with margins at 12%. For the first half of fiscal year '26, EBITDA was Rs.251 crores. The year-on-year moderation was primarily due to changes in product mix and forex revaluation impact. Importantly, the underlying business fundamentals remain robust, supported by stable volumes, improving efficiencies and a strong order pipeline across segments.

During the quarter, we also recorded healthy order inflows across both domestic and international markets, reflecting continued customer trust and demand momentum. This strong inflow, combined with our growing order book and diversified portfolio gives us high visibility for sustained performance in second half of the fiscal year.

Looking ahead, we remain optimistic about the growth trajectory of our business with a healthy balance between domestic and international markets, a robust order pipeline and continued focus on operational excellence and customer engagement. We are well-positioned to deliver sustainable and profitable growth in the periods to come.

So, with this, let me open the floor for question-and-answers.

Moderator:

The first question is from the line of Balasubramanian from Arihant Capital.

Balasubramanian:

Good afternoon, sir. Sir, on the distribution network, especially for Jal Jeevan Mission, the funds have been stuck. What concrete steps we have taken to derisk the channel and how the government fund flows at this point of time, and what is the exposure of receivables in the channel side?

Sanjay Kirloskar:

There was an echo. So if you can talk a little slowly. You said about the Jal Jeevan Mission, something about channel management. So I didn't get...

Balasubramanian:

Yes, sir. Actually, some liquidity issues are there.

Sanjay Kirloskar:

Yes.

Balasubramanian:

In the Jal Jeevan Mission channel side, how we are managing and what is the exposure of receivables?

Sanjay Kirloskar:

Yes. So as far as exposure on receivables is concerned, it is zero. As you are aware, and I mentioned that in my speech as well, the company maintains its strict commercial policies. We



do not dispatch anything from the factory unless we are sure of the payment. As I mentioned, the center released funds, but states have to contribute in certain cases 10% of the funds and in certain cases 50% of the funds.

The states unfortunately, have not been able to put in the funds from their share, and therefore, as I have said earlier, since we do not deal directly with the government and deal with Jal Jeevan orders through our distribution channel, we have ensured that our distribution channel stays healthy. And therefore, we have withheld dispatches of a certain amount of products to ensure that only when the money is sure to come, we will dispatch those pumps.

I'd also like to mention over here that the pumps are generic. If for a certain period of time, they are not lifted by the state government, they can be diverted to other customers. We are holding on to them, expecting that this will be taken care of in the near future.

Balasubramanian: Okay, sir. Sir, on the pump side, especially for retail petroleum pumps, it's one of the strategic products. What is the specific go-to-market strategy to compete with international players? Like if you could throw some light on in terms of price, service or technology side and what is the targeted market share and the revenue from this segment over the next two years to three years' timeframe?

Rama Kirloskar: Yes. So as far as these -- am I audible?

Balasubramanian: Yes, ma'am.

Rama Kirloskar: Yes. So as far as these pumps are concerned, we are dealing with two monopolistic American players. So we were able to break through there in the market. So we will be now an indigenous player in this market. These are a type of canned motor pumps that we have made. They are going for a critical application.

As you know, that we always need to be L1 in these orders, right, because it's tender based. And that's why we don't necessarily want to give the value or the margin because really, it will depend on that tender. So it will be very tender specific. So unnecessarily, we don't want to cause confusion in the market by giving a fixed price because that's not how this business works.

Although this is a large area and considering that there are only two to three global players, we do see that this is one area for expansion in the future. And there is a lot of potential for exporting these products. However, this being our first large order, we would like to concentrate on executing this business domestically first. So it would be very premature for me to give a long-term outlook as of today.

Balasubramanian: Okay, ma'am. Ma'am, on the data center side, the value is around 5 million to 7 million per site. And what is the estimated total addressable market, especially for specific cooling and firefighting packages in the US and Europe, and how we are contributing in those areas?

Alok Kirloskar: On the data centers, our main focus in data centers is in the US and that's really what we're focusing on with the major players who are either putting up data centers, or of course, some of the others who are occupying those data centers.



So I would say that's really our focus market. The majority, by far, of data centers are coming up in the US followed by the UK, and Ireland strangely because that's where the communications cables come in from the US. So I would say that is our focus area in data centers.

In firefighting, our market share in the US continues to be about between 15% and 20%. In India, of course, our share in firefighting is much higher at -- closer to 55% to 60%. So I hope those are the two answers, I think.

I think the last one is district cooling. District cooling mainly we are focusing in the Middle East. We see a lot of projects coming up for district cooling in UAE, as well as in Saudi at the moment. But that said, I would say that there is some sluggishness in Saudi, especially on the NEOM projects, where a couple of large district cooling projects were coming up and spending has reduced at the moment on those projects.

But that said, I would say that the Middle East is where we get the district cooling projects. And at the moment, we probably have a handful ongoing with the major district cooling developers.

Balasubramanian:

Okay, sir. Sir, my last question regarding the UK structural headwinds. I think some high power cost issues were there, especially for deindustrialization. What percentage of UK service and project revenue is exposed to this risk industrial customers? Secondly, I think our Dutch entities are -- like, profitability is on track right now and like what kind of strategy we have to launch new products, especially like hydrogen pumps and all? And is there any plan to scale up that profitability over the next three years to five years' timeframe?

Alok Kirloskar:

Yes. I think over the last few calls, I've mentioned the point that you have made that there has been heavy deindustrialization in the UK, because the power prices are close to GBP280 a megawatt hour. If you compare that to Germany, it's about GBP120 per megawatt hour. And if you compare it to Sweden, it's about GBP52 a megawatt hour. The US also is in the same range as Sweden. So it's a fraction of the prices of the UK.

And because of that, there's been heavy deindustrialization in the UK, especially in the North, the chemical plants, actually any energy-intensive facilities. So chemicals, steel, all these have seen the plants only idling. And because of the UK Government confused strategy on oil and gas, there has been no licenses that have been issued in the North Sea. So you may have read in the news, Total has recently decommissioned and exiting the UK market, UK North Sea market by decommissioning their rigs.

Now what that means for us generally is that, as you know, we have service contracts with chemical companies, petrochemical companies, as well as steel companies and water companies. So we do see that even though we have three-year or five-year new contracts with them. The activity on contracts in the chemicals, petrochemical segment and even steel segment has reduced significantly because many of them are only idling their plants.

And our focus has been to offset that by new contracts that we have received in the water and power plants segment. And so we -- while the total contracts available now are total executable service contracts have come back to what they were, we did face the first few months in the year



when a lot of work was not coming for service. And you can see the impact of that in the overall margin.

So in the UK, especially, we have found two issues. One is some supply chain issues, which continue to be there which is on the large project side. And the other side, we have issues in terms of the number of available service contracts. So while we have service contracts, the available service contracts where there is ongoing work was reduced. So those are the two areas that we were trying to balance.

We have enhanced the revenue by enhancing sales on other segments within the UK and we will continue to grow the service business, as we've said, in the UK, as well as in Europe and try and offset the softness in the service business in the UK. And we are continuing to win new service contracts in power plants, water in the UK and in other segments outside the UK to be able to stabilize those service revenues and then slowly after stabilizing, move into growth phase again. So does that answer all your questions?

Balasubramanian:

Yes. And that opportunities for Rodelta?

Alok Kirloskar:

Yes. I mean, as I mentioned, we have opportunities in service. We continue to add new major service contracts with water utilities, power plants. And as you go into Europe, where power prices are still lower with chemical plants. So we are developing those. We have won a number of these in the last quarter as well.

As you know, once you win them, it takes at least two months to three months to work with the operator to agree what will be the plan in terms of service for the next three to five years, depending on the service contract, either three or five. And how much of it will be done every year.

So once we agree and sign that off, then the service contract comes -- so that's really why we have not yet seen new business coming out of the contracts that have been signed recently. But we do hope to see that soon once we have reached an agreement of what will happen in year one, year two, year three on those contracts.

So, yes, we do have an upside. As you are aware, we have another upside, which is fish-friendly pumps. The UK, along with Europe has now, as per policy, said that all canals and rivers need fish-friendly pumps and we need to retrofit those pumps. So we see that we are again investing in that because we have a ready product to sell in those markets.

The other is there has been growth in the water segments, both in Benelux region, which is Belgium, Luxembourg and Netherlands as well as I've mentioned on previous calls, the AMP8 has now come into effect in the UK. So AMP8 is an 88 billion program over five years, where we are optimistic that this time, there are more clear water pumps rather than sewage pumps. And similarly, we're seeing an uptick in the investments in Benelux on the water side. So I would say there's still many areas that are looking interesting in these segments.

Moderator:

Next question is from the line of Pratik Kothari from Unique PMS.



Pratik Kothari:

Sir, first on the standalone. I mean -- so we have been winning orders every quarter. Gradually, our order book also has been ramping up. So apart from this Jal Jeevan case, anything if you can highlight the positive, negative, what is going on? So for last 3-odd quarters, we have been either stagnant or degrowing in that segment. So just some comments ex of Jal Jeevan, how are things panning out there?

Sanjay Kirloskar:

I think the booking has been consistently going up. It's possibly the sales that have not grown to our expectations. But that many times, I have said, don't look at our performance from quarter-to-quarter, even if it's for two quarters or three quarters because now as we go towards the end of the year, if you've looked at the historical performance of the company, about 35%, 36%, 38% is done in the first half and about the rest of it, whatever, 60% to 62% is done in the second half.

And this is because of seasonality of our business. It's because of the fact that most industrial companies and especially pump companies do very well when it's coming towards the government and our own year-end. And so this is what it is.

Pratik Kothari:

Second to Alok-bhai, I mean, I think very well explained the challenges in UK. I think even US seems to be doing really well. I mean it has come very close to where UK is. I mean just some color, some highlights what is going right in US.

Alok Kirloskar:

I mean I would say that the US, as you know, there are industries that are new, that are coming back into the US, and we have inquiries from those, and we now have orders also from many of them. And that's probably part of Mr. Trump's overall program to attract industries back. So we see some new inquiries and focus on those industries. But apart from that, I would say that the big other growth is, as I think was mentioned earlier, data centers.

There are a large number of data centers coming up. And most of these data centers, as you know, we are catering both fire and cooling systems for these data centers. So -- and we moved away from just supplying pumps to supplying container systems because data centers have a quick lead time of 18 to 24 months. And so they want to have modular concepts.

So I would say that we are -- as you know, SyncroFlo's specialty is modular systems and making pump houses -- containerized pump houses is something they do. So SyncroFlo does that not only for our pumps, but a lot of SyncroFlo's distributors are also selling pumps of other manufacturers, other major US manufacturers.

And often, those distributors are buying the pumps from those major US manufacturers, issuing the pumps free of cost to SyncroFlo. And SyncroFlo is then packaging those into very complex houses, which have the piping, the control systems, everything else, valves, pumps, of course, which are pre-issued, everything else inside that and supplying it as a full package for -- again, for data centers and other process units.

So I would say, really, that's the big area. And you would probably be knowing that even now there is almost 2,000 data centers coming up in the US, which have received planning permission.



So it's a large number of data centers. Just to put it into context for you, a hyperscale data center, which is what most of the data centers today are, requires almost 2 million liters of water every day, which is called top-up water just for -- just coming from the evaporation inside the data center. Just top-up water is 2 million liters per day. So quite large systems going into these data centers. Does this answer your question?

Pratik Kothari: Yes. Absolutely. Yes. And last one, just number, we see Rs.30-odd crores of FX loss in our cash flows. I mean, was it this quarter? Does it go through our P&L?

Alok Kirloskar: Yes. I mean, as you know, we have moved to hedge accounting. And even with hedge accounting, we have mark-to-market these losses because of the heavy deterioration or depreciation of the dollar, as you're aware, compared to the pound. So even though we have hedge accounting, we had these excess losses that came up. In addition to this, we also have another situation, which is that we are holding deposits.

As you're aware, we are holding cash in KBIBV, and we are holding large deposits in dollars in the Netherlands. And as our -- and they're held in dollars, but as KBIBV accounts are made in euros, we are showing translation losses also of \$0.5 million on that amount. So, yes, it is -- the mark-to-market losses are notional from the operating side of the business. Now the translation loss will remain notional as long as we don't use the money in any other currency but dollars. If we do spend that money from KBIBV for -- in any other currency but dollars, then it will convert to a real loss.

Pratik Kothari: Correct. So one of the reasons for lower margins this quarter or first half is also this, I mean, this FX loss that we see.

Alok Kirloskar: Yes. Yes. The FX loss, as you rightly said, is about GBP1.8 million, which is about Rs.20 crores. From an operating point of view, KBIBV's operating profit is stronger than last -- same time last quarter, last year.

Moderator: Next question is from Raj Shah from Enam AMC.

Raj Shah: My first question was regarding the Jal Jeevan Mission issue that you highlighted. So for the last year, say, in FY '25, what kind of contribution Jal Jeevan Mission would have in our standalone business?

Sanjay Kirloskar: Jal Jeevan exactly would be 2%, 3% about 5%, maybe about 5% at the most.

Raj Shah: 5% of the annual standalone revenues.

Sanjay Kirloskar: Of the annual stand-alone revenue.

Raj Shah: That is what the impact is for the current year?

Sanjay Kirloskar: Yes, sort of.



Raj Shah: This is for Alok, sir. The Dutch business are smaller in numbers, but we have seen that the Rs.24 crores last year same quarter revenue has come down to Rs.8 crores, even six monthly numbers are down as well as there is some loss that has been reported in the Dutch entity.

Alok Kirloskar: Yes. I mean, the Dutch entity order book position is stronger than last year. But because it's so lumpy the business, there is a huge amount of executable order book in this quarter, which is there last quarter. So we are trying to ensure that we can push that out to ensure that they have better numbers compared to last year.

Sanjay Kirloskar: To a great extent, I think both in America and Western Europe, there have been many elections that have been taking place, and there has been a lot of uncertainty. But we know that it is going to translate into business. As mentioned earlier, whatever uncertainty there was in the previous -- I think it was the previous call, we had said that there was uncertainty in the US before Trump got elected.

After Trump got elected, the order flow has started. Similarly, Netherlands has had elections recently. I think they just completed them last week. Thailand has been going through its own special issues. So this is going to happen. But what we are very confident about is the fact that step by step, we are establishing our businesses in these countries, and they will only grow.

Raj Shah: Sir, on UK business, as you mentioned that the margins have been lower due to various issues. But do you see that from the 6% margin, we can go back up to, say, double digit, close to double-digit margins, which we used to report earlier?

Alok Kirloskar: It depends what time frame you're asking me this question in. But -- however who is asking me from a short-term point of view and not a long-term point of view, I would say that from a medium-term point of view, definitely, because finally, that margin that you saw is coming from mix of the product and services.

And as the service revenue is going up, it's easier for us to meet those margins. We obviously, as I mentioned to you, because of the labor government coming in and it being in a very confused state, the industries have been hit quite badly who are energy-intensive industries. But over time, as you know, everyone adjust themselves and then it becomes business as normal.

So I would say that in the medium term, it's possible. In the very short-term, we are trying to see how to make it possible using the existing order book position that we have. The order book position is quite strong. But like I've said that the more product side we execute, the margins obviously are lower than the service side. So we always need that level of executable service business.

While -- like I said, we have 120 service contracts on the books. A lot of them in the North of England right now are idling, which is not 50 or 60 of them, but there are many large ones of them. And so we are trying to see how to ensure that we can execute the order book in a way that delivers close to what you are expecting.



- Raj Shah:** Lastly, sir, our aspiration, as you have mentioned earlier also has been to report at least double-digit revenue growth. So do you see -- because H1, it is 3% negative growth. So do you see H2 will be better enough to compensate for?
- Sanjay Kirloskar:** Yes. Like I've said -- historically, we have performed in a certain manner. And we believe that by H2, all things going properly, we will be able to meet our aspirations.
- Moderator:** Next question is from Manish Goyal from Thinqwise Wealth Advisors.
- Manish Goyal:** I have a couple of questions. First, on the PetroTurbo pump set. So you just mentioned that it would not be fair to share the order value. But I just want to clarify that on 1st October, you had -- the press release said that we have been declared L1 while the presentation says that we have received the orders. So just want to clarify that formally have we received the orders and how will it get executed in what time frame?
- Rama Kirloskar:** What was the last part of your question? Yes, we have received the order, but you had another question...
- Manish Goyal:** No. So I was asking that like what is the time frame of execution of this order? That was the question.
- Rama Kirloskar:** It's around nine months.
- Manish Goyal:** So if you cannot give an exact value of the order, but would it be possible to give a price range ideally?
- Rama Kirloskar:** No. We can't do that. We can't do that because this is a tender-based business. So it's not a fixed value. We have to be L1 and we have to be competitive. And there's a huge variety in the features and the type of pump that is required. Since there's a lot of variability, we don't want to give a fixed price because that would not be accurate.
- Sanjay Kirloskar:** If the product mix changes, then you might see smaller numbers having higher value or higher numbers having smaller value. So we don't want to confuse anyone.
- Manish Goyal:** Okay. So also, like as you mentioned that you would like to focus on domestic market initially, how big is the opportunity? Like we received the order from IOC. So like there are other OMCs also, BPCL, HPCL and many others. So like what is the opportunity -- how should we look at it is on a recurring basis that this opportunity can be over a period of next two years to three years?
- Rama Kirloskar:** Pump requirement per year.
- Manish Goyal:** Maybe if you can say that how much is required over a period of, say, one, two, three years, like any -- as such?
- Sanjay Kirloskar:** I think last time also, Rama had mentioned it's about 25,000 or 30,000 pumps per year.



- Manish Goyal:** Fine. Also like once you supply to IOC, does it that you probably need to get qualification with other OMCs or like once you have already supplied, then you are probably have the supply benchmark already established and you can probably supply.
- Rama Kirloskar:** Yes. Once we supply, then we are established and...
- Sanjay Kirloskar:** With IOCL.
- Manish Goyal:** No. But what about, sir, with other OMCs like BPCL...
- Sanjay Kirloskar:** It depends on what their requirements are. They could be different.
- Manish Goyal:** On the standalone business, like you have definitely mentioned about impact due to JJM. But I would like to get a perspective on demand side from the industry pumps as well as pumps which probably we supplied for infrastructure on various accounts because power was picking up quite well. Order book for irrigation was picking up. So if you can just give us perspective because last three quarters, somehow the standalone sales is probably quite muted. So how should we look forward probably in near to midterm?
- Sanjay Kirloskar:** Yes. So I have mentioned that we believe that the two growth drivers will be urbanization and the power sector. Power sector, we have continued to receive orders, and we look forward to receiving orders because large number of new power stations are coming up, not only in the thermal space, but we expect that the nuclear side also will start picking up soon.
- But as you are aware, these orders would be executed over a period of time because, number one, there are -- they need to set up the power station to receive the pump. And that usually will take care of the manufacturing period.
- So in this, what we have done is the kind of orders that we have received from one of our customers, we've set a new benchmark of delivering within a year, some very large pumps, which earlier would have taken 18 months because that customer is really a demanding customer and wants to establish these power stations very quickly.
- On the other side is urbanization. Our building and construction sector continues to grow very smartly. And I think a few quarters ago, Alok had also mentioned that due to our strong presence on the firefighting side, we've been able to bundle HVAC and utility pumps. So that also continues and is continuing to grow our market share in that sector.
- Manish Goyal:** Right, sir. So we should be able to probably see a double-digit growth. Like last year, we were aspiring for double-digit growth. So hopefully...
- Sanjay Kirloskar:** I don't think -- I think you were not listening to my answer to the previous gentleman...
- Manish Goyal:** No. I just wanted to get reassurance from it.
- Sanjay Kirloskar:** I have now said it for a few quarters. I think the last two quarters have been where everyone has questions. But looking at the order book, looking at the way the situation is with customers as



well as some of the changes that we are making in the plant, I'm very confident of meeting these targets.

Manish Goyal: Sure, and a question for Alok. Alok mentioned that AMP8 program has started in UK. So I would like to know like have we started getting orders or probably it will take one or two quarters more that we see -- we start seeing meaningful orders flowing?

Alok Kirloskar: Yes. We are getting orders. But, yes, I would say when you consider that AMP8 should be 1% of the spending should go to pumps. I would not say that it is meaningful as yet. But, yes, they are starting to release orders that classified as AMP8 orders.

Manish Goyal: Last question on the services side, Alok, so like how much time do you think that you probably -- the new contracts what we have won, we should be able to probably offset the loss of the -- some of the existing business, and we should probably get back to normalized growth run rate?

Alok Kirloskar: I mean I'm giving you my estimation. I would not say that -- like I said, it's based on us, like in my previous answer, I said based on us and the customer agreeing what will happen in year one, year two, year three, and we're signing off on that and then restarting the process on that. But I would say three months. usually, it takes about that much time for us. They're going back and forth and then it's really translating into the products coming in because as you know, the products are then dismantled at site, brought into our plant.

We dismantle the products in the plant. We go through a process. We have to, as a part of the process, submit a price and then they accept that price which is part of the overall agreement. And then -- but we still have to follow that process. And then we start the repair and then we dispatch it. So it's not just agreeing, but it's also this process after which you see the invoicing and hence, the margin. So I would say at least three months, it takes to do all these things.

Manish Goyal: Last question on the development order for the nuclear power primary coolant pump. Would it be possible to share how is the progress on the same, sir?

Sanjay Kirloskar: The progress continues. There are various components of that for the primary pump. And as far as we are concerned, I think like I said earlier, the hydraulic performance is proved. The casting of the main one is in progress. And as the hydraulic performance is proved, I don't expect too many problems when we make the first pump.

Moderator: Next question is from Jainam Doshi from Kriis PMS.

Jainam Doshi: In the presentation, the strategy going forward, we have mentioned that steps are being taken for debottlenecking and cost optimization at our key domestic subsidiaries. So if you could highlight on what are the steps being taken and how much it would flow to our margins on all level over the years, that would be helpful.

Rama Kirloskar: Yes. I have a question actually. Did you say subsidiaries? Or did you say factories?

Jainam Doshi: Subsidiaries we've made, in slide number 41.



Sanjay Kirloskar:

Yes. So as far as KPML is concerned, we have taken a few steps to ensure that the output can be in step with the small pump business. As you're aware, the small pump business is heavily dependent on KPML for motor components and motors. So we've been able to put in facilities as well as improve the machining lines as well as the process -- other processing lines to ensure that output can be faster and the costs can be brought down.

Similarly, you might have seen that at TKSL, the sales have gone up, reducing the losses from the previous time. And we are very happy that actually the power sector is coming into focus as in giving us orders. So we expect that whatever was our original reasoning for buying TKSL, which was to have a steel foundry, which can make large steel castings, which are required in the power plants, will be -- they'll be able to deliver.

Digitization efforts continue. Whatever has been done has been able to help us understand things better. The EREP packages have also been implemented at the subsidiary. One other thing that we've done is the Group Captive Solar to ensure that costs, especially in our foundry at TKSL, the energy costs can be brought down.

Jainam Doshi:

You have mentioned like in the JMM, we aren't -- like there are states who are not able to release funds to a certain extent. So if you could help us name which are the states who are not able to release.

Sanjay Kirloskar:

I think this news is available. I'm not going to name and shame any one of these companies.

Jainam Doshi:

One more thing is like as we have mentioned, we are supplying systems in the data centers. So what would be the addressable market size for our systems there? And how many projects have been executed till now? And what is the trajectory going ahead.

Alok Kirloskar:

The addressable systems in the data center that we are currently supplying are the fire package, which is actually a fire system in this case, like I mentioned earlier, because it's a modular pump house. The cooling -- the primary cooling package, which is going connected to the chiller, the secondary cooling package, which moves stuff from the chiller to the on-chip cooling system and, of course, the intake water systems.

Those are what we mainly are focused on in data centers. Of course, it depends data center to data center because some are colocation, some are hyperscale. That's mainly the ones that are being focused on by us.

And what we do in the data center also depends because sometimes the customer wants one system for fire, some other system for cooling and maybe a third system for secondary cooling. Of course, we try and supply the whole thing as one big package, but it really depends on customer preference as well in many of these cases. I think your last question was...

Jainam Doshi:

Like how many projects until now have we executed?

Alok Kirloskar:

Yes. Till now, maybe we've done about 25 to 30 projects. And at the moment, any time in our plant, we have about four to five projects worth of data centers in the US because that's mainly



where a lot of the data center work is happening. So -- and those may not be all the systems I mentioned. It could be one of the systems that I've mentioned at any time.

So even now there are about five or six projects are on the shop floor for data centers. So -- and when I say a project, it is either the fire system or the secondary booster system or the primary system or the intake system. So, yes, so I mean we have a good number of different things going on, on data centers.

Jainam Doshi: Lastly, I just wanted to have a view on the -- like the current bid pipeline for the projects which we have, both in the domestic and the international market. If you could highlight that would be of great help.

Sanjay Kirloskar: No. I've not understood the question. Can you just repeat that?

Jainam Doshi: Total -- the bid pipeline for the project business, which we have in the domestic as well as the international market.

Sanjay Kirloskar: We don't give this number.

Moderator: Next question is from Ishita Lodha from SVAN Investments.

Ishita Lodha: Sir, what is the impact of the commodity price inflation on our margins? And how much of our order book is fixed price?

HEMANT SHALIGRAM: I think as of now, there is no impact as such on the financial.

Ishita Lodha: Are we seeing any slowdown in the project or tendering due to commodity price inflation?

Sanjay Kirloskar: We don't see so.

Ishita Lodha: Is it possible to quantify how much of the pumps which have been withheld for dispatch? What is the value of the inventory sitting in our books, which has been withheld for dispatch for Jal Jeevan Mission?

Sanjay Kirloskar: Numbers. I think the fact that these pumps can be dispatched to other people if they are not picked up within a certain time should give you the confidence that we will wait for a certain while and then it will come out.

Ishita Lodha: How are you seeing the pipeline in domestic market and the pricing trend? Is it stable? Is it increasing?

Sanjay Kirloskar: It is stable.

Moderator: Next question is from Manish Goyal from Thinqwise Wealth Advisors.

Manish Goyal: Just a couple of questions on -- I just want to clarify, which Pratik was earlier asking on the ForEx unrealized losses. So the cash flow shows -- consolidated cash flow shows Rs.32 crores is the exchange loss in the first half of the current year. So Alok, when you mentioned GBP1.8



million, roughly Rs.20 crores, were you referring to the quarter two number? And has it been passed through the P&L for sure?

Alok Kirloskar: Yes. Those numbers have passed through the P&L. But I'm mentioning the translation loss also. It is coming from the fixed deposits.

Manish Goyal: So that is something which probably -- till you use it, that number will not reverse back or maybe whatever variation in exchanges will happen, again, it will perform that way. Because what I'm seeing is that your...

Alok Kirloskar: I mean, if we can execute many of those jobs in the last quarter, that mark-to-market loss will come down, right? Because the UK has this issue because 70% of the production, as you know, is exported. The only reason that it's become a little larger this time is because there's been more depreciation in the dollar.

But even then it is only, I think the mark-to-market proportion of the 1.8 million, if I'm not mistaken, is 700-something thousand pounds. And the remainder is translation losses because of dollar deposits held in KBIBV.

Manish Goyal: One more question, again, for standalone cash flow, what we probably continue to see is that provisions for doubtful debts and advances, even in the first half of the current year, that number is roughly Rs.15 crores, whereas last full year, it was Rs.41 crores. So again, is that number which is passing through the P&L? And is it pertaining to the old contracts? If you can clarify this as well?

Hemant Shaligram: I think if you see the numbers, it is reducing on a quarterly basis. And I think -- it is as per our policy, we need to provide it is passed through P&L. It's our policy, we need to provide that in our books.

Manish Goyal: No. I agree that that number optically is reducing, but probably would like to know that like how far do we see that this number would continue?

Hemant Shaligram: No. No. I think if you see the trend, the last trend because our recovery is very good, we don't see any bad debts as such. But even if there is a delay in the receipt of payment, we provide in the books.

Manish Goyal: Last question on the -- in the presentation, in the updates, probably what we refer to various sector updates for our standalone business, there is -- probably I saw for the first time, Engineering Service division where sales have increased 27%. So what is this business? Is it aftermarket or if you can clarify on this? And what is the size of this business? Because just 27% growth, we are not able to get a perspective as to how relevant it is?

Rama Kirloskar: No. So this is the same sector, which they generally call customer support and ESD. I think this time, they've just mentioned the full form of ESD as engineering service division. It's not a new sector and we don't generally give the contribution sector-wise.



Moderator: Next question is from Mr. Vishal from Bandhan AMC. Mr. Vishal, you may proceed with your question, please. Mr. Vishal, your line has been unmuted. You may proceed with your question. As there is no reply from Mr. Vishal, we will conclude this call. I would now like to hand the conference over to Mr. Hemant Shaligram for closing comments.

Hemant Shaligram: Okay. Thanks, ma'am. Thank you all of you for joining today's call. We hope the session provided a comprehensive overview of our business and address your queries effectively. Should you have any further questions or require any clarification, please feel to reach out to SGA, our Investor Relations Advisor. We truly appreciate your continued trust and support. Wishing you all a pleasant evening. Thank you.

Moderator: On behalf of Kirloskar Brothers Limited, that concludes this conference. Thank you for joining us and you may now disconnect your lines.