



Enriching Lives

KIRLOSKAR BROTHERS LTD.

Financial Analysts Meet

Quarter 4 & FY 2010-11

27th April 2011

Companywide Highlights



Enriching Lives

- **Selective order booking with more emphasis on electromechanical business.**
- **Set up task force for support and closing of projects.**
- **Initiatives taken for operational efficiency improvements & strict project monitoring.**
- **Monitored and controlled sales depending on debtors situation, mainly of AP sale.**
- **POC completion of 2 major orders – BWSSB (Water sector) & Rajivsagar (Irrigation Sector) in Q4.**
- **Improvement in operating results.**
- **Significant reduction in material cost through negotiations, value engineering, etc.**

IRRIGATION

- **First EPC order for Satgaon Pathar LIS including Civil, piping and piped distribution network in Maharashtra received, thus establishing us as a EPC contractor in Maharashtra, which will also give qualification for distribution system.**
- **Registration for PWD and VIDC for class “A “ rating, thereby getting qualified for unlimited value of EPC work.**
- **Validation of world largest irrigation project by completing commissioning and PG testing of SSNNL and Godavari Projects.**
- **Change in payment terms for AP Project from 70% to 85% against supply and 15% against commissioning to 5% against erection and 10% against commissioning to improve the project cash flow.**
- **Benban and Rozaikat project of MED Egypt, Valued USD 26M (Rs.120 Cr) has progressed as per clients schedule. Planned for commissioning during October 2011.**

WATER RESOURCE MANAGEMENT

- **20 Nos. Large HSC pumps (20UPH3-M2DV), 29 Nos. 2300kw HT WEG make motors, 30 Nos. Soft starters and piping were dispatched in Q-4 for BWSSB Project. Total dispatches worth Rs. 870 M, POC crossed in March'11.**
- **PHED Bhopal : (Test & Trial by May 11)**
 - **Intake well and pump house is in advanced stage of completion, Electro-mechanical installation is under progress.**
 - **2 Nos. clarifloculator, 1 Nos. PST completed. MBSR and BPT dome structure completed.**
 - **Betwa and Kaliasot bridge, pipeline completed. PS1, PS2, 132 kV substation, 33 kV substation completed. BPT civil work completed.**
- **KWA Cherthala: Mechanical and electrical erection work completed.**
- **KWA Pattuvam: Raw water intake pumps commissioned.**
- **KWA Meenad: Project inaugurated by Hon. Mr. Premchandra on 24th Feb'11.**

POWER

- **Manufactured largest indigenously developed Condensate Extraction Pump for 800MW Unit – 3 Pumps for 2 x 800 MW L&T Krishnapattan.**
- **Manufactured largest Horizontal Split Casing pump for CW application for thermal power plant in India: 3X UPH 1200/160M for BHEL Pipava plant.**
- **Largest Concrete Volute Pump installation for any thermal power plant in India: 10 nos. CVP's @ 63,000 m³/hr for 5 X 800 MW Tata Mundra UMPP**
- **CW pumping system for 2 x 800 MW Praire State Energy campus, Illinois for Bechtel Power Corporation USA commissioned**
- **2x2.45MW Horizontal Kaplan turbine commissioned at Darna HEP (DLI)**
- **Successfully tested and dispatched high pressure high temperature pump KPDV 100/32 for NPCIL.**
- **Successfully conducted endurance test and dispatched 2 sets of Secondary Sodium Pump for BHAVINI.**
- **Established Advanced Technical Product development (ATPD) Centre at KOV to focus on special products mainly for Nuclear business.**

OIL & GAS

- **Pre Tendering efforts with Gactel resulted in order of 05 Nos. 20UPH3M1 Pumps with HT motor & CFD analysis, Value Rs. 18.6 M.**
- **Order worth Rs. 39.4 M consisting of 10 Nos. fire-fighting VT pumps with HT Motor, Engine, Gear Box, CFD analysis received from Toyo.**
- **Presentation for FM/UL pumps at Mumbai & Guwahati for various customers & consultants was done. This is resulting in generation of FM/UL pump set enquiry from HPCL.**
- **Cooling water pumps 20 UPH3M1 commissioned successfully at BPCL Kochi & 1 No turbine driven pump is under commissioning.**

MARINE & DEFENCE

- Received following breakthrough orders:-
 - Rs. 78 M from CFEES for design and engineering of water mist system for submarine.
 - Rs. 5 M from KPCL for Dewas range pump SP1HM in gun metal MOC.
 - Rs. 34 M from ITD Cementation for GRSE modernization dry dock drainage project. The project was awarded to us on premium keeping our current association in mind.
 - Rs. 16.5 M from Alcock Ashdown Gujarat for 06 Indian Naval survey vessels. Scope involves supply of 10 number 3.7 kW NS pumps in special metallurgy per ship.
- KOV plant foundries approval by IRS completed. Certificate received.

INDUSTRY

- **Continuous sales growth due to conducting seminars which lead to increased enquiries + surveys conducted by agencies to identify disgruntled customers.**
- **Intellequip software has reduced response time and has also seeded product information with consultants - ensured future projects are designed to KBL specifications due to easy availability of data.**
- **Standardizing a larger range of products and ensuring easy availability of these products through dealers.**
- **Channelizing marketing efforts of business managers towards advanced products for higher profitability.**
- **Significant focus on export business.**

CUSTOMER SERVICE & SUPPORT

- **After completion of successful commissioning of 4 no. CW pumps at Tata Power-Trombay with modification parts, we could collect our service charges & parts payment worth Rs. 39.00 M during March 11.**
- **M/S TATA Power now included our name in their top thirty preferred Vendor list.**
- **Complaint resolution time for Dewas products is achieved @ 93% within 3 days against 90% as planned.**
- **Toll free line is now made operational across India by providing training to all ASCs.**
- **Feedback report says @ 76 % customers are happy with response & resolving the complaints in Dewas products.**

BUILDING & CONSTRUCTION

- **Sales & Booking growth is more than 60% to last year. Secondary HVAC Orders received from all across the country through various contractors & approval from various consultants.**
- **India's Biggest HVAC order for Mumbai International Airport, value Rs. 12M, 21 pumps, with imported make pumps rejected on technical ground.**
- **170 NS pumps order received from Airport Authority of India-Kolkata International Airport - Rejected all Indian & imported make on Technical ground.**
- **KBL'S Biggest HYPN order from Hotel Industry, 1st From IHG group & 1st through Spectral as consultant. Hotel Crown Plaza at Ahmadabad.**
- **Order on Board for Multi outlet Multi stage has increased. Orders are with minimum 30% advance and from all across the country**
- **350 no's fire monoblock order for schools in Delhi.**
- **Concept of Space saving works and got the 1st order of Multi-outlet Multi-stage in Vertical Execution from Pune. Offers are now being submitted in all metros.**

DISTRIBUTION

- **Demonstration done for 9" Submersible Pumps in Haryana & Punjab and found good response regarding performance.**
- **TISCO Jamshedpur has purchased over 100 nos. of Eterna SW series in past year and has signed Rate Contract for KBL for its requirements of Eterna range of submersible pumps.**
- **Received an order for 460 nos. KS type monoblock from J & K Agro - Jammu of Value Rs. 7.0 M .**
- **Promotional Scheme introduced in January has helped to boost sale of Eterna HI lifters/ PBS / Shower Joy - over 800 units sold.**

LARGE PUMPS DIVISION

- **Dispatched two nos. UPH 1200/160 pumps for BHEL. (Largest horizontal split case pump with 25000 M3/Hr Discharge)**
- **Dispatched first pump of BHM 135 against Adani order. (Largest VT pump with 40,000 M3/Hr Discharge)**
- **Dispatched two nos. Secondary Sodium Pumps for Bhavini.**
- **Dispatched 20 nos. 20UPH3 pumps for BWSSB.**
- **Dispatched Spares of 138 M. (Total 585 M against AOP of 575 M)**



SMALL & MEDIUM PUMPS DIVISION

- Dispatch = Y10-11 = 29,318 Pumps , Y09-10 = 27,697 Rise 5.8 %
- Production = Y10-11 = 30,411 Pumps , Y09-10 = 29,069 Rise 4.6 %
- MOST implementation is in progress at C I Foundry, NF Foundry, Split Case division
- Major orders executed during Q4: -

▪ Marine & Defense	A/c. ITD CEMENTATION	3 Nos. PSET-MF55/60+SPL+CGL-90KW	Rs. 30 M
▪ Oil & Gas	A/c. Bliss Enterprises	28 Nos. PSET- KPD /KPDS	Rs. 19 M
▪ Power	A/c. NPCIL	01 No. PSET-KPDV100/30+SPL	Rs. 14 M
▪ Industry	A/c. SPP-INC	186 Nos. FM-UL	Rs. 12 M
▪ Industry	A/c. WRT	24 Nos. PSET-UP250/57 – Split Case	Rs. 11 M
▪ Power	A/c. Essar Construction	03 Nos. PSET-UP500/51	Rs. 9 M
▪ Building & Construction	A/c. John Deere India	02 Nos. PSET-FH12RD	Rs. 9 M
▪ Oil & Gas	A/c. Bharat Heavy Elect	02 Nos. PSET-SCT350/54	Rs. 8 M
▪ Water	A/c. Armenia	16 Nos. RKBV/UPM/IHT	Rs. 6 M

- **Wage agreement settlement in Feb'11.**
- **Foundry Production target achieved as per MOST (460 Min) in all the three shifts.**
- **Manufacturing Target achieved as per MOST (460 Min) in all cells except single phase.**
- **269 New models developed in the year 2010-2011.**
- **Highest ever yearly production of single phase 102,795.**
- **Single phase and KOS conveyorised new assembly line commissioned for capacity enhancement through 'AADHAR -1' Project.**
- **First pass % of Casting at GRN level has increased from 95.9 % in the year 2009 – 10 to 97.5 % in year 2010-11.**
- **Machining rejection PPM at Manufacturing has reduced from 2,843 PPM in 2009 – 10 to 2,549 PPM in year 2010**
- **In house Foundry rejection has reduced from 16% in 2009–10 to 6.6 % in year 2010–11.**

Dewas Factory

We Are Changing...



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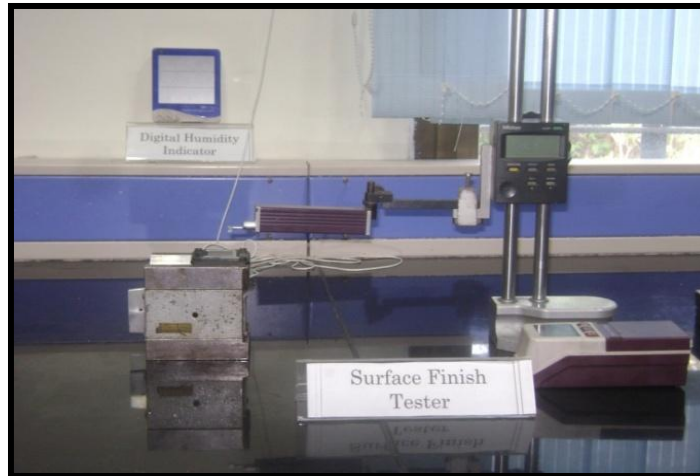
Dewas Factory - Twin tool head – Motor Body Spigot machining SPM CNC machines for You Ji, Taiwan.



Quality Control Lab in Dewas



Gauges Storing Facility



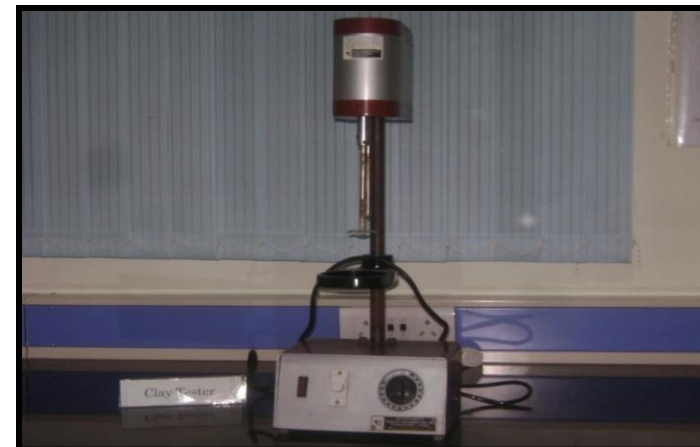
Surface Finish Tester



Thread Checking Machine



Digital Sand Testing machine



Clay Testing machine



Micro scope

Coimbatore & Ahmedabad Factory

Highlights



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- **Coimbatore plant completed trial production in Mar'11, and full production will commence in April '11.**
- **Ahmedabad Plant will commence production in Dec '11.**

Coimbatore Factory

Update...



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Manufacturing Shop

This is a proprietary document of Kirloskar Brothers Ltd.

Coimbatore Factory Update...



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Assembly with Packing Line - 1

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Coimbatore Factory Update...



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Assembly with Packing Line -2

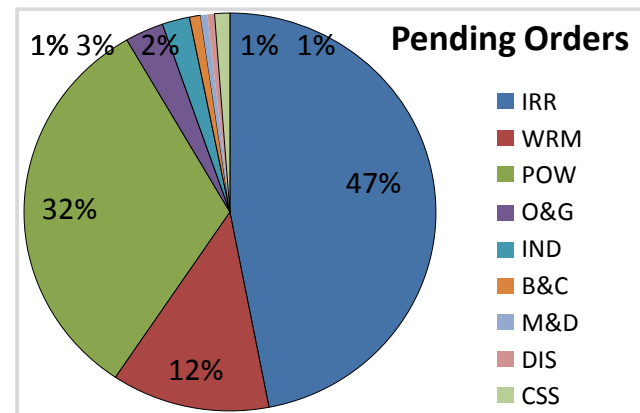
- **Developed 1,500 mm Rising / Non-rising Spindle Sluice Valve - Largest size so far.**
- **Developed 3,600mm Butterfly Valve (Internally Ebonite Lined) - Largest size so far.**
- **Developed Tamperproof Kinetic Air Valve Range (50mm to 200mm) & patent registered.**
- **VTL 4.5 mtr installed & utilization is 72%.**
- **Established Gauge Room & Tool Crib.**
- **Installed Kirloskar Solar Panel System.**
- **EMS & OHSAS certification received.**
- **Booking crossed 1,000 M.**
- **MOST study & validation completed - Implementation planned in April.**

Companywide Pending Orders



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Sector (Rs.million)	4Q FY 10-11	%
Irrigation (IRR)	14,214.0	47.0%
Water Resource Management (WRM)	3,765.0	12.4%
Power (POW)	9,765.0	32.3%
Oil & Gas (O&G)	916.0	3.0%
Marine & Defence (M&D)	163.1	0.5%
Industry (IND)	651.4	2.2%
Building & Construction (B&C)	264.0	0.9%
Distribution (DIS)	170.0	0.6%
Customer Service & Support (CSS)	360.0	1.2%
TOTAL	30,268.6	100.0%



- Order book down 7% from Dec '10
- Order book for own product is up 10.3% y-o-y, and up 5.4% q-o-q

Companywide

Major Orders



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Sector	Order Type	Customer	Value (Rs.mil)
Irrigation	Electromechanical and Pumping System	Khargaon Lift Irrigation, MP	500.0
Water Resource Management	Pumps And Drive Motors	Voltas Kolkata A/C Keip	87.5
Power	New development project "URJA"	Bhabha Atomic Research, Mumbai	727.4
Oil & Gas	BHR 50 & BHR 28 - 7 Nos	EIL / GSPC Kakinada Terminal	18.2
Marine & Defence	Water mist Engineering	Indian Navy	78.0
Industry	Order received for 57 nos pumps	L&T	28.9
Building & Construction	Fire sets	Monsher fire	6.2
Distribution	250 Nos., 20C4/ 25C4 Motors	WBAIDC, Kolkata	10.0
Customer Support & Service	BHQ 95	Golbun, Chille	75.0

STANDALONE FINANCIAL HIGHLIGHTS



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- Total sales are at Rs. 1,942 Crs as against Rs. 2,018 Crs in PY - drop of 4%.
- All marketing sectors have crossed sales over previous year except Irrigation ,Water and Oil & Gas sectors.
- Fall in Irrigation sector sales of Rs. 332 Crs is mainly due to holding back of dispatches for projects in Andhra Pradesh in H1. Current dispatches to AP are being made subject to a maximum cap on amount recoverable.
- KBL was selective with orders and execution to improve sales mix, which resulted in share of own product sales to total sales going up to 49% as against 43% in the previous year.
- Composite material cost as % to sales has reduced from 74.3% in PY to 69.1% in CY.

STANDALONE FINANCIAL HIGHLIGHTS



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- Total expenditure including ERE & Depreciation is Rs. 479 Crs as against Rs. 360 Crs in PY.
- Current year, increase is mainly due to ERE Rs. 45 Crs and KCEL advance written off – Rs. 67 Crs.
- Despite pressure on working capital throughout the year, interest cost has come down to Rs. 30 Crs from Rs. 34 Crs in PY.
- PBT is at Rs. 103 Crs as against Rs. 173 Crs in PY – reduction is primarily due to the KCEL advance write-off

- **Fixed Assets :**

Additions to fixed assets Rs. 50 Crs are mainly on account of new plants at Ahmedabad and Coimbatore.

- **Net Current Assets :**

Net Current Assets have slightly increased to Rs. 614 Crs from Rs. 594 Crs in the PY

- **Loan Funds :**

Total loan funds have reduced to Rs. 349 Crs from Rs. 357 Crs on March 31, 2010. Term loan for Capex has increased by Rs. 45 Crs but working capital loans including unsecured loans have however reduced by Rs. 56 Crs

FIVE YEAR FINANCIALS – STANDALONE



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Rs. In Crores

Year	FY 07	FY 08	FY 09	FY 10	FY 11
Turnover	1,340	1,525	1,831	2,018	1,942
Domestic	1,113	1,377	1,602	1,848	1,759
Exports	227	148	229	169	183
Total Assets	749	861	1,036	1,078	1,097
Net Current Assets	250	318	421	594	614
Investment	338	347	338	190	167
Fixed Assets	161	196	277	294	316

FIVE YEAR FINANCIALS STANDALONE (Cont'd)



Enriching Lives

Rs. In Crores

Year	FY 07	FY 08	FY 09	FY 10	FY 11
Shareholder's Funds ●	602	662	709	713	737
Subscribed Capital	21	21	21	16	16
Reserves	581	641	688	698	721
Borrowings ●	141	192	321	357	349

FIVE YEAR FINANCIALS STANDALONE (Cont'd)



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Rs. In Crores

Year	FY 07	FY 08	FY 09	FY 10	FY 11
EBDITA	396	185	149	233	163
<i>% to Sales</i>	<i>30%</i>	<i>12%</i>	<i>8%</i>	<i>12%</i>	<i>8%</i>
EBDITA w/o extra ordinary income	215	185	149	233	163
<i>% to Sales</i>	<i>16%</i>	<i>12%</i>	<i>8%</i>	<i>12%</i>	<i>8%</i>
PBT	375	150	98	173	103
<i>% to Sales</i>	<i>28%</i>	<i>10%</i>	<i>5%</i>	<i>9%</i>	<i>5%</i>
PBT w/o extra ordinary income	195	150	98	173	103
<i>% to Sales w/o extra ordinary income</i>	<i>15%</i>	<i>10%</i>	<i>5%</i>	<i>9%</i>	<i>5%</i>
Profit After Tax	337	110	67	118	61
<i>% to Sales</i>	<i>25%</i>	<i>7%</i>	<i>4%</i>	<i>6%</i>	<i>3%</i>
PAT w/o extra ordinary income	156	110	67	118	61
<i>% to Sales</i>	<i>12%</i>	<i>7%</i>	<i>4%</i>	<i>6%</i>	<i>3%</i>
Cash Profit	168	128	88	144	91

FIVE YEAR FINANCIALS STANDALONE (Cont'd)



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Year	FY 07	FY 08	FY 09	FY 10	FY 11
Earnings Per Share - Rs. ●	32	10	6	15	8
Cash Earnings Per Share - Rs.	33	12	8	18	12
Dividend Payout - Rs. In Crores ●	42	42	21	44	28
<i>Dividend - %</i>	<i>300%</i>	<i>200%</i>	<i>100%</i>	<i>275%</i>	<i>175%</i>
Book Value / Share - Rs. Per Share ●	57	63	67	90	94
Market Cap - Rs in Crores	3,827	2,457	816	2,073	1,055
No. of Employees	2,551	2,875	2,723	2,932	2,747
Turnover / Employee - Rs in Crores	0.5	0.5	0.7	0.7	0.7

CONSOLIDATED ACCOUNTS -2010-11



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Rs. In Crores

PARTICULARS	TOTAL INCOME		PROFIT / LOSS BEFORE TAX		INCOME TAX		PROFIT AFTER TAX	
	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10	Mar-11	Mar-10
PARENT COMPANY								
KIRLOSKAR BROTHERS LTD	1,955	2,066	103	173	42	55	61	118
SUBSIDIARY COMPANIES								
KIRLOSKAR BROTHERS INTERNATIONAL B V	** 411	459	23	20	8	10	16	10
KIRLOSKAR CONSTRUCTION & ENGINEERS LTD	124	103	(1)	(1)	(1)	2	(1)	(2)
GONDWANA ENGINEERS LTD.	67	70	7	5	2	2	4	3
THE KOLHAPUR STEEL LTD.	37	35	8	3	3	1	4	2
KIRLOSKAR BROTHERS (THAILAND) LTD.	9	-	(1)	(1)	(1)	0	(1)	(1)
HEMATIC MOTORS PVT. LTD.	167	54	7	3	2	1	5	2
KIRLOSKAR CORROCOAT PVT LTD.	41	19	7	4	2	2	4	3
KIRLOSKAR SYSTECH LTD.	1	-	0	-	0	-	0	-
	857	740	49	35	16	18	32	17
JOINT VENTURE COMPANIES								
KIRLOSKAR EBARA PUMPS LTD. (SHARE 45%)	56	58	12	17	4	6	8	11
SUB TOTAL	2,868	2,863	163	224	62	79	101	146
LESS INTRA GROUP TRANSACTIONS	206	175	3	33	-	-	3	33
SUB TOTAL	2,663	2,688	160	192	62	79	98	113
SHARE IN PROFIT OF ASSOCIATE COMPANIES	-	-	-	-	-	-	-	1
TOTAL (KBL)	2,663	2,688	160	192	62	79	98	114

CONSOLIDATED ACCOUNTS -2010-11 (Cont'd)



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Notes:

1) Consolidated financials includes:

- a) Kirloskar Brothers International BV (KBIBV) for 1st January, 2010 to 31st December 2010.
- b) SPP Pumps Ltd UK through KBIBV.
- c) Braybar Pumps Ltd. through KBIBV from 29th April 2010 to 31st December 2010.
- d) Kirloskar Brothers (Thailand) Ltd (KBTL) for the period from 1st October 2009 to 31st December 2010.
- e) Pressmatic Electro Stampings Pvt Ltd (PESPL). & Quadromatic Engineering Pvt Ltd (QEPL) through Hematic Motors Pvt. Ltd (HMPL)
As against in the previous year HMPL, PESPL & QEPL were consolidated as associate companies up to 28th November 2009 & as subsidiary companies for the period from 29th November 2009 to 31st March, 2010.
- f) Previous year Kirloskar Corrocoat Pvt. Ltd. (KCPL) considered as joint venture (50%) for the period from 1st April 09 to 11th Nov 2009 whereas current year as subsidiary company

** Total Income in INR is reduced due to foreign exchange rates (GBP - CY- Rs.71.41 PY - Rs.76.20)
(Euro - CY - Rs.60.71 PY Rs.67.47)

CONSOLIDATED KEY FIGURES



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Rs. In Crores

Particulars	Year Ending March 09	Year Ending March 10	Year Ending March 11
Total Income	2,495	2,688	2,663
P B D I T	200	276	244
P B T	129	192	161
P A T	83	113	99
CASH PROFIT	113	152	145

KEY FINANCIAL RATIOS

PARTICULARS	Year Ending March 09	Year Ending March 10	Year Ending March 11
P B I D T % AGE	8%	10%	9%
P B T % AGE	5%	7%	6%
R O C E % AGE	14%	19%	16%

The Way Forward...



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- Continue to focus on ROCE, cash generation and cash flow.
- Strengthen project management capabilities
- Establish Project Management Office (PMO) for monitoring of projects
- Work on selective basis and in partnership for electromechanical portion of projects
- Matching recovery with sales and closing of projects
- New initiatives such as nuclear, hydro and other high value products
- Significant focus on export business for the industry sector and aim towards achieving export: domestic sales breakup of 35:65 from the existing 19:81.

The Way Forward... Cont'd



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- Thrust on high end liquid management products from 20% this year to 40% next year.
- Focus on replacement market based on the 40,000 pumps replacement market as highlighted by Digit
- Realize higher sales by creating product differentiation in the market.
- Focus on upcoming projects in the railways and hospitality industry.
- Execution of ONGC order along with other orders in Marine & Defence sector
- Explore opportunities for water mist fire fighting system independently in Indian Navy and commercial marine.

The Way Forward... Cont'd



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- **Completion of product basket to cater to marine onboard requirements**
- **Explore opportunities outside utilities and fire business in Building & Construction sector.**
- **Increased focus to capture higher margins on high value products such as FMUL, multi outlet, multistage, VT Fire and LLC pumps.**
- **Target more than 90% on-time delivery on account of increased capacity at Dewas.**
- **Promote and create awareness of LLC pumps, BEE star rated energy efficient products, Concrete Volute Pumps, FM/ UL listed products and products for the process markets.**

The Way Forward...

Cont'd



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- Installation of simulation software at KOV for methoding of stainless steel casting to improve quality of casting and to achieve quality of casting and reducing cycle time
- Implementation of MOST at KOV
- Focus on achieving high delivery performance, quality of own product and cycle time for radiographic quality castings
- Take corrective actions to improve supply chain thereby improving the on-time delivery performance at Dewas.
- Various actions being taken to reduce rejection, improve managerial efficiency and reduce the inventory at Dewas
- Advanced action on long lead time items like gear box, actuators, casting and traded items, and strengthening of design department activities will lead to higher delivery performance in the current year.



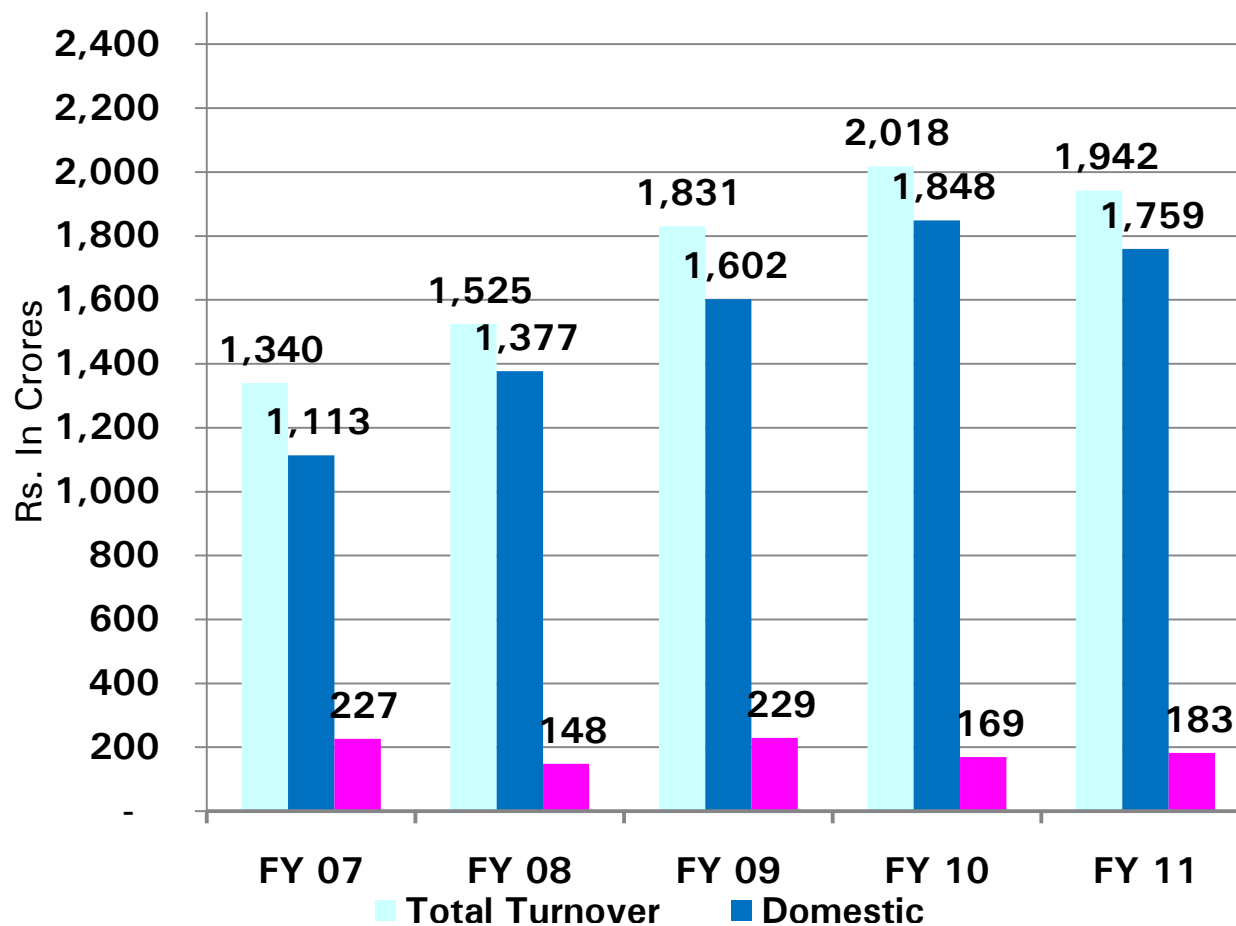
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THANK YOU

TURNOVER



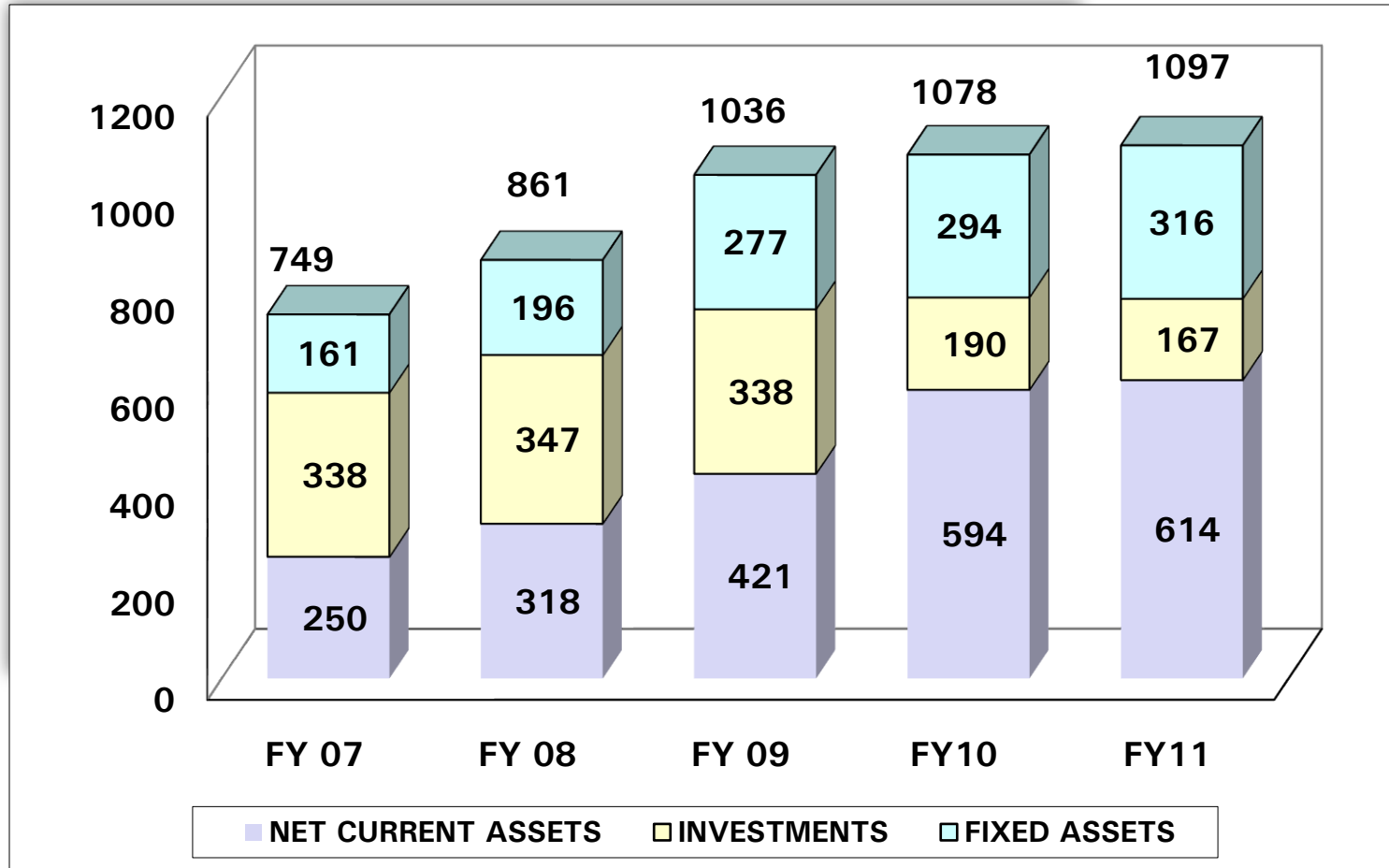
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TOTAL ASSETS



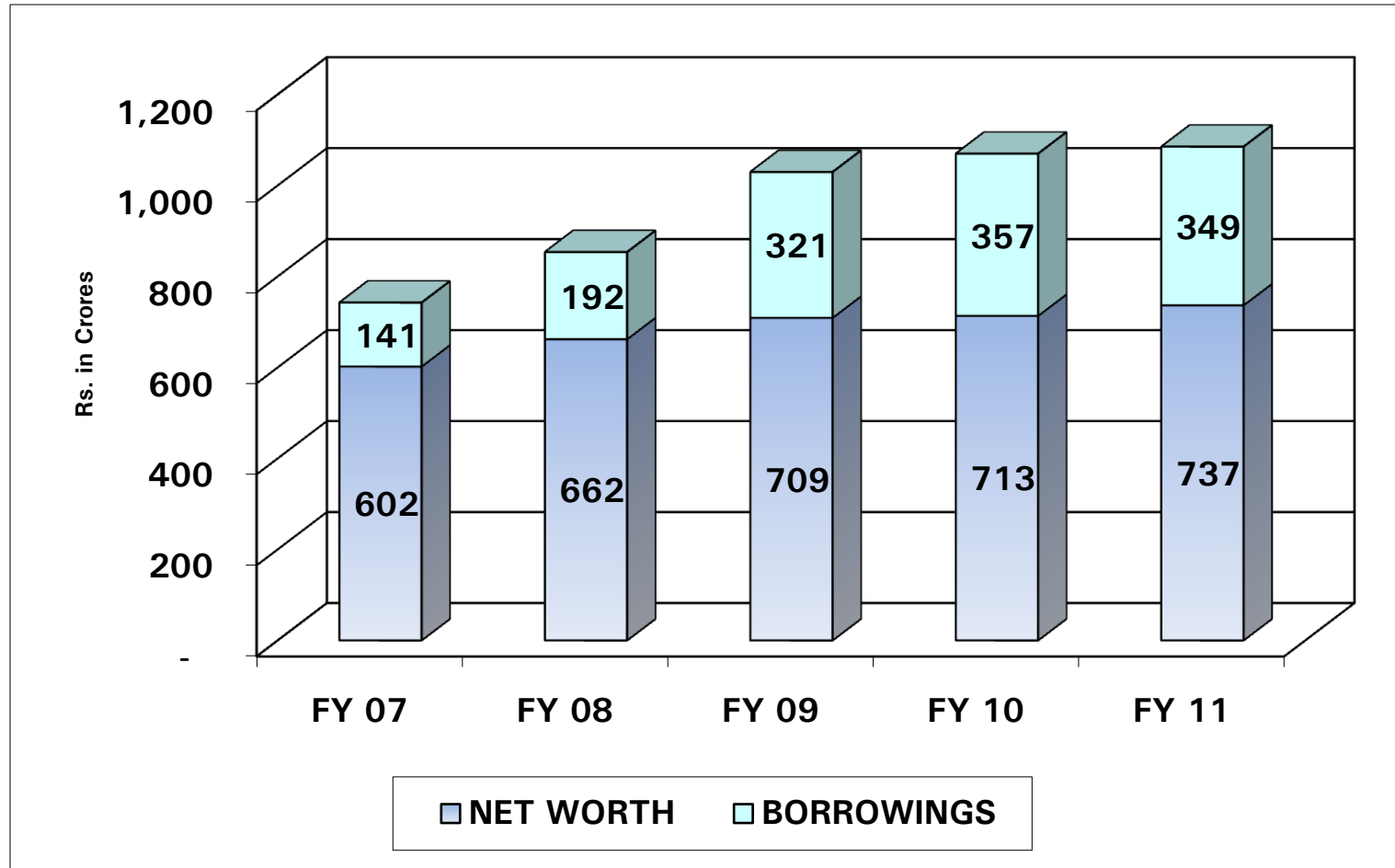
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NET WORTH AND BORROWINGS



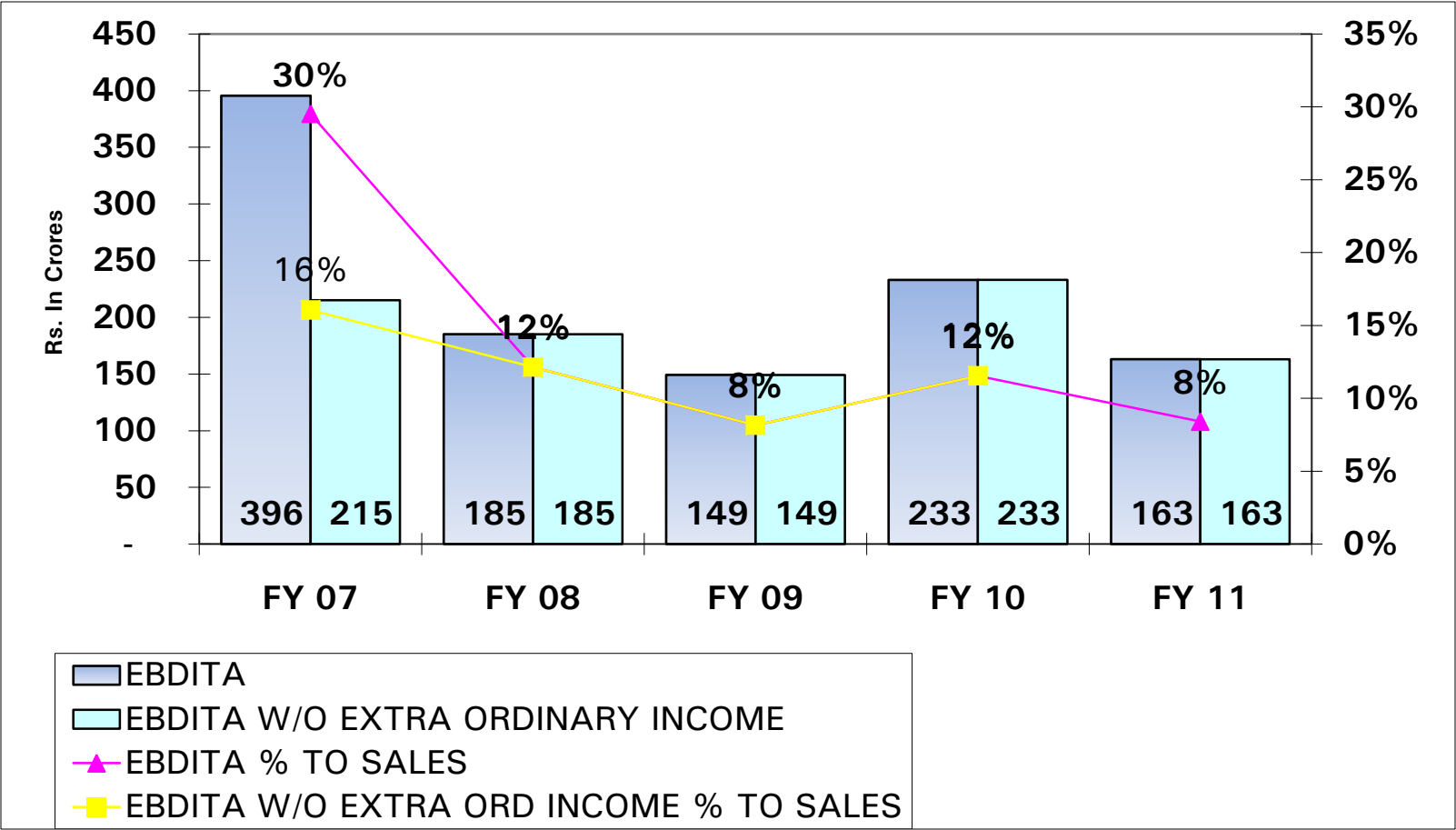
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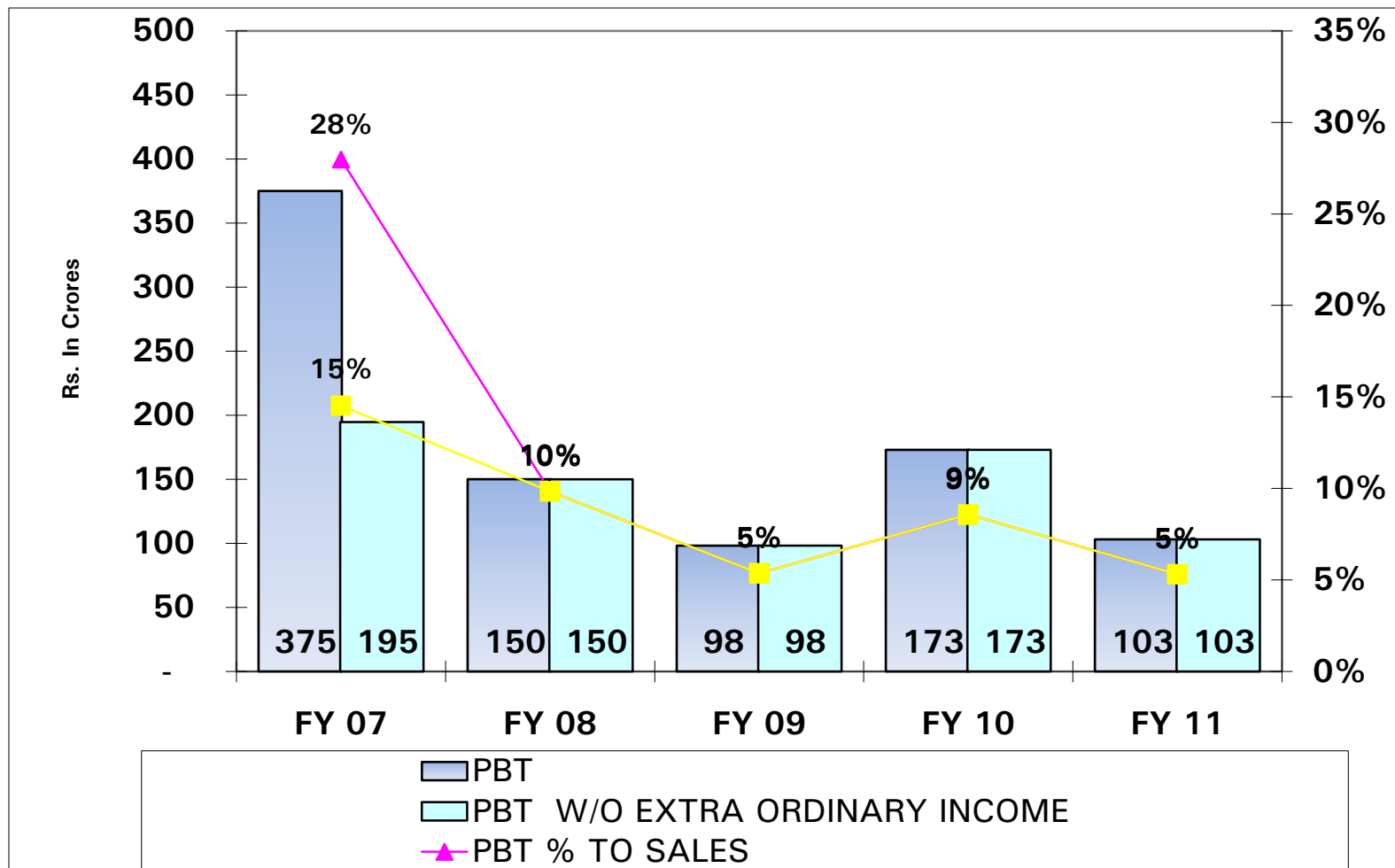


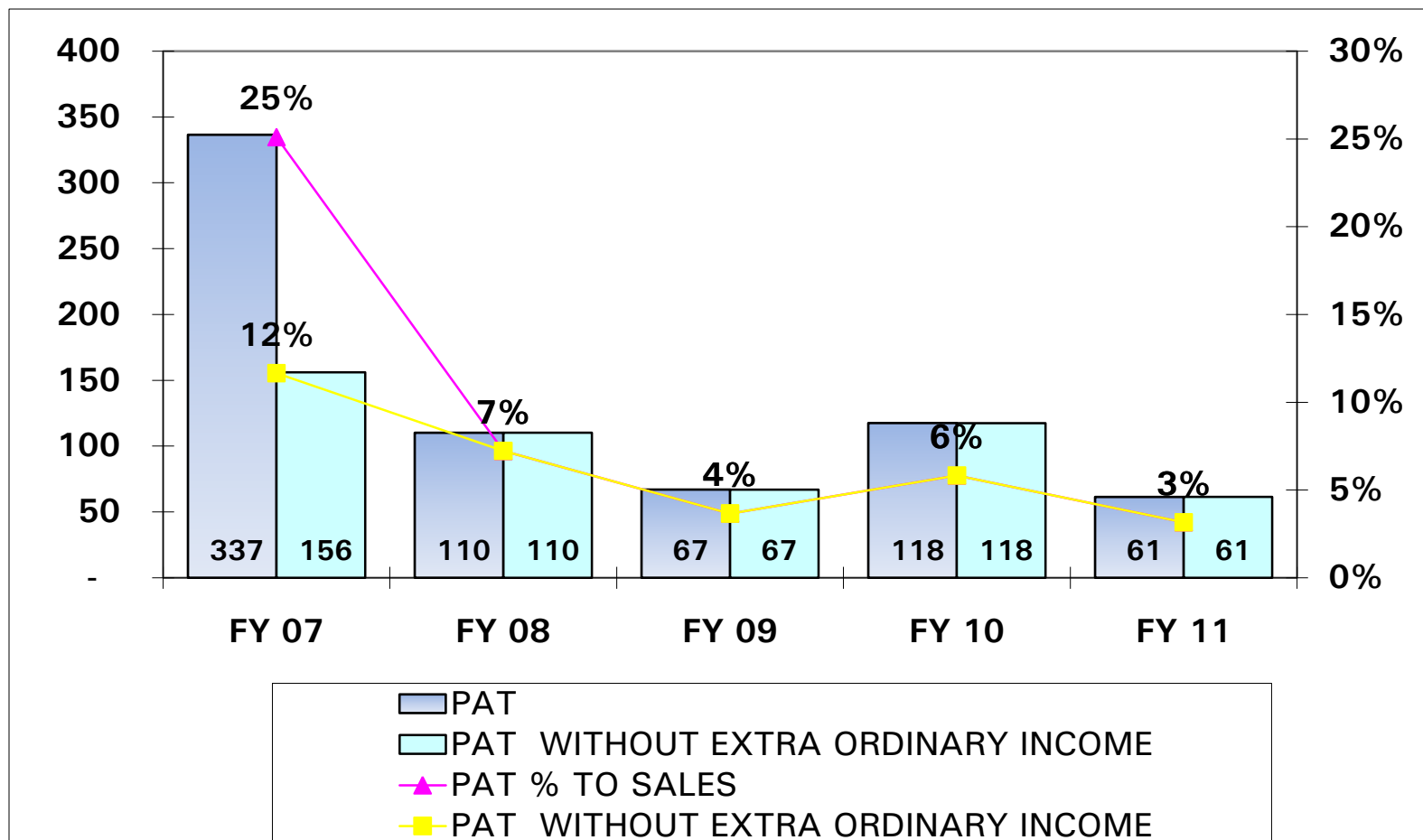
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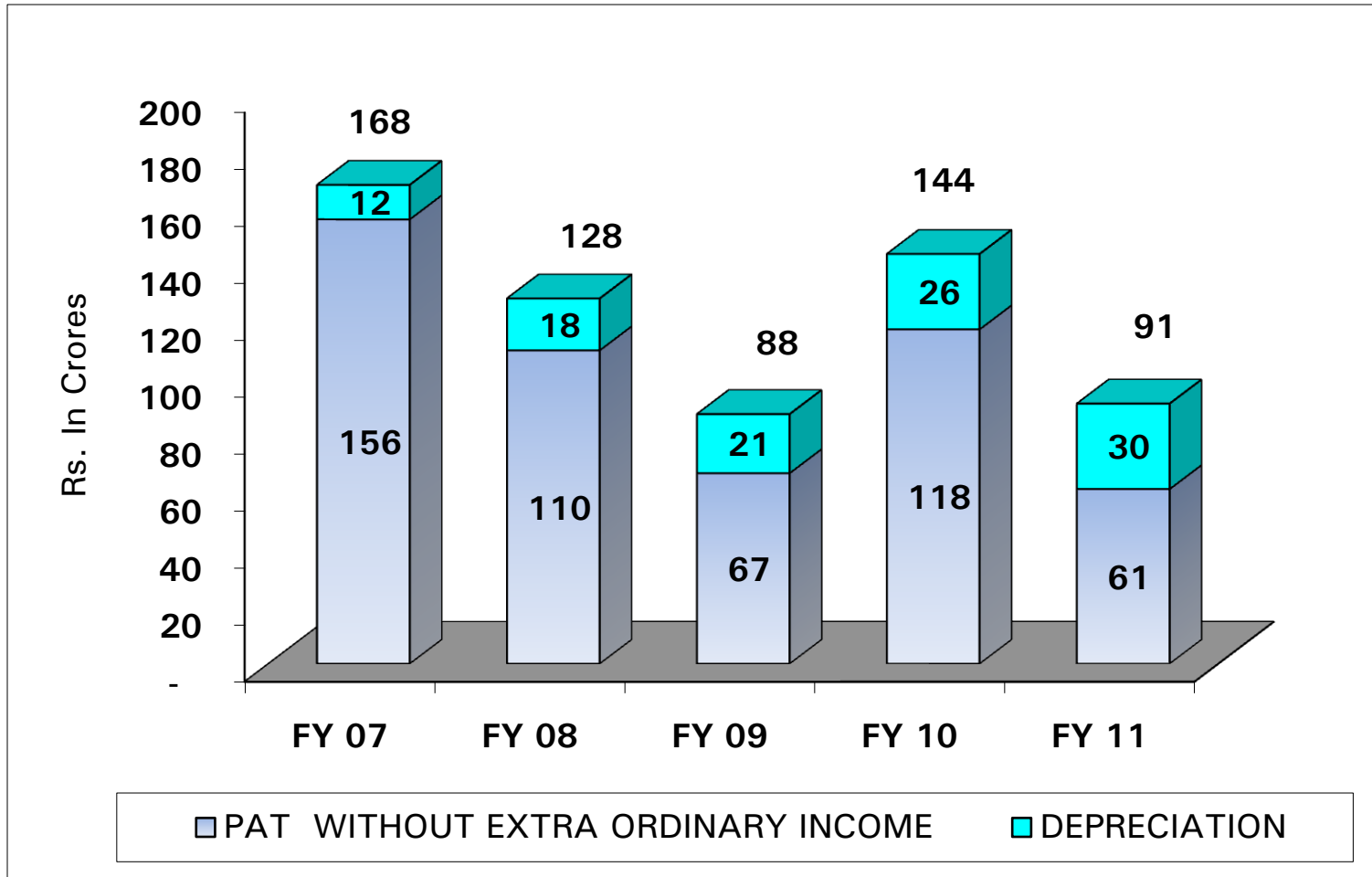




CASH PROFIT



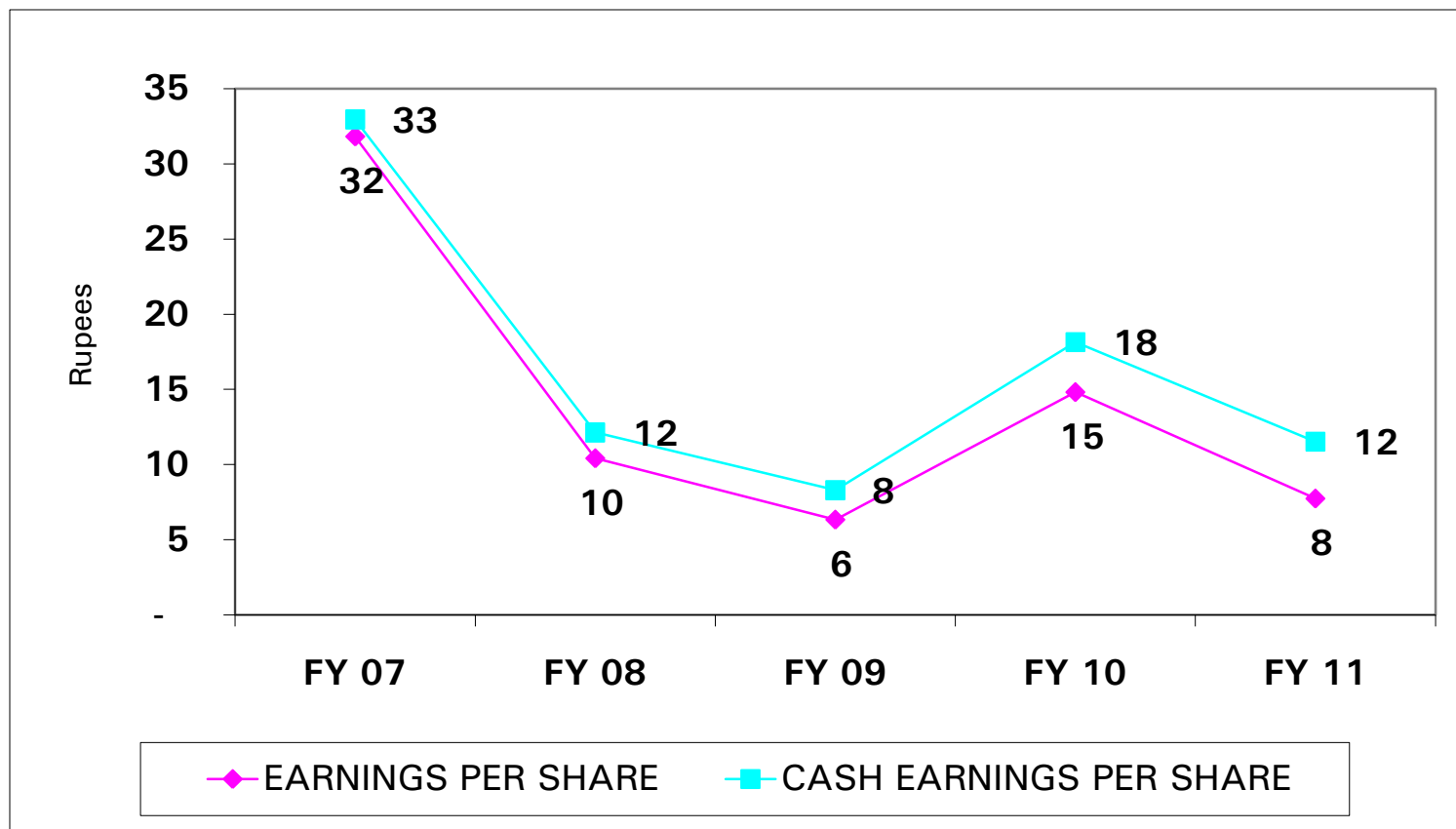
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EARNING PER SHARE



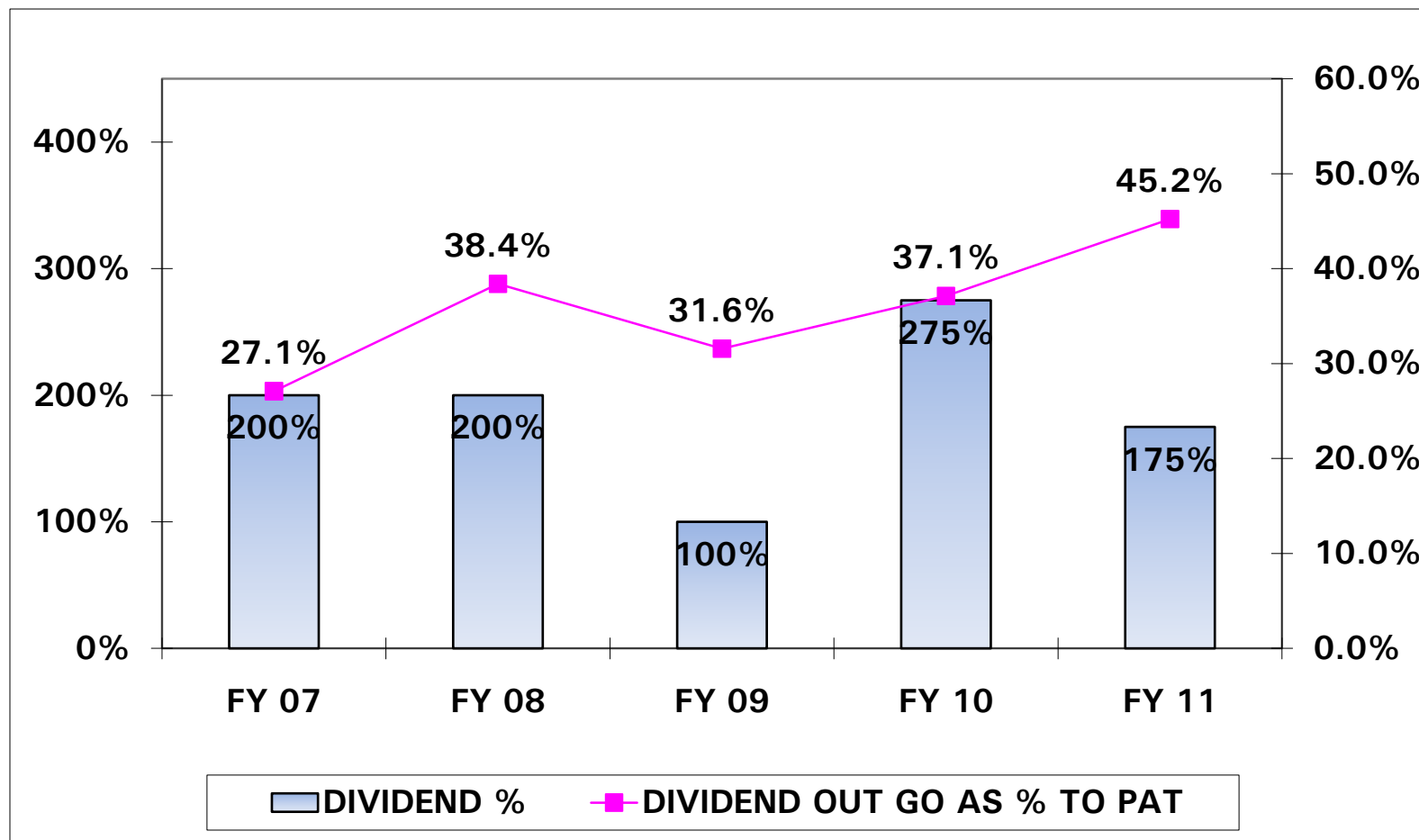
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DIVIDEND PAYOUT



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BOOK VALUE PER SHARE



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