

KIRLOSKAR BROTHERS LIMITED



Company Background

Kirloskar Brothers Limited (KBL), incorporated in 1920, is a leading manufacturer of centrifugal pumps in India. The company offers products and services customised to clients' requirements. It is one of the major players in fluid-handling products, and its product offerings include pumps, valves, anti-corrosive products and hydro turbines. It has successfully handled turn-key fluid-handling projects in domains such as irrigation, power, water supply and treatment.

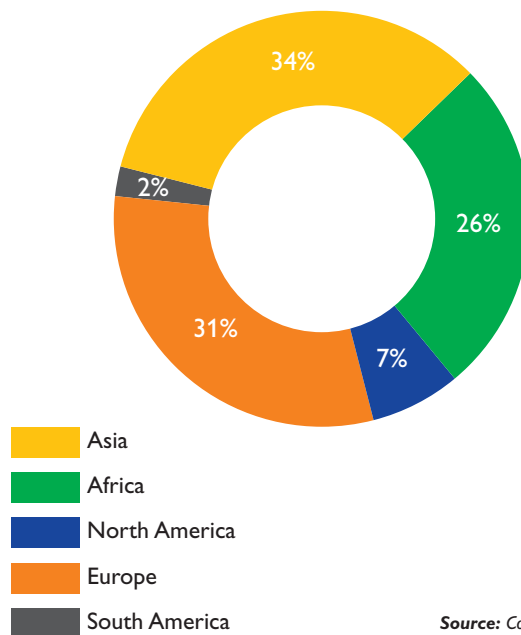
KBL has four manufacturing plants in India. It has completed many projects involving customised products and services in India as well as other countries. The company has a recently acquired a contract from the Ministry of Agriculture, Government of Senegal, to provide pump-sets worth EUR 21 million. It also provides products and services to many prominent players in the energy sector, including NTPC, Siemens and Alstom.

KBL has a strong global presence through its subsidiaries in the UK and the USA. The company has operations in Africa, Europe, Asia and the Americas.

The company had approximately 2360 employees as on 31 March 2006. It is listed on the Bombay Stock Exchange and the National Stock Exchange. In 2005-06, the company had consolidated revenues of approximately EUR 270 million. Total Revenues of KBL alone were approximately

EUR 165 million, which recorded an increase of 27 per cent over the previous year. Europe is critical to the company's business, contributing approximately 31 per cent to its total revenues in 2005-06.

KBL Export Revenue Break-up by Geography: 2005-06



Source: Company Website

Kirloskar Brothers Limited in the EU

KBL has been increasing its foothold in the EU through strategic investments in the form of acquisitions and joint ventures. The company has formed a subsidiary in the EU by acquiring a major stake in SPP Pumps Ltd, UK, for catering to the EU market. The company has also entered into a joint venture with Corrocoat Pvt. Ltd., UK, to form Kirloskar Corrocoat Pvt. Ltd., which specialises in anti-corrosive products.

Kirloskar Brothers Limited in the UK

SPP Pumps Limited

SPP Pumps Limited UK is a subsidiary of KBL India. The company has been manufacturing pumps for over 100 years in the UK, and it was acquired by KBL for approximately EUR 10 million. It is among the significant players in the fire fighting pump packages, lowest life cycle cost series pumps of vertical mixed flow type & horizontal split case type for water circulation, and the contractors pumps. The company's product range also includes water supply, circulation and distribution, dewatering, drainage, and irrigation pump systems. It employs approximately 120 personnel and generated revenues of approximately EUR 44 million in 2005-06.

SPP Pumps Ltd. has also established a facility in Atlanta, USA for manufacturing fire-fighting pump packages. It has an office in France, through which it supplies its products across Europe.

Kirloskar Corrocoat Pvt. Limited

Kirloskar Corrocoat Pvt. Ltd. is a joint venture between KBL and Corrocoat Ltd. UK. It specialises in manufacturing corrosion-resistant products and also undertakes turnkey projects for various coating applications.

The company provides high-quality products and services to diverse industries, including power generation, oil and gas, petrochemicals, marine, water and wastewater, general industry, etc.

This association will facilitate the targeting of the anti-corrosion market in a focussed manner, thereby enabling a gain of substantial presence in the EU market.

Kirloskar Brothers Ltd. in Other EU Countries

KBL has a strong presence in the centrifugal pump market in the EU. The company's products are

marketed in countries such as Germany and France through the established channel of SPP Pumps Ltd., which has a marketing office in France.

Factors for Success

Customised Services

The company's products are customised to client's requirements, facilitating it in catering to clients from diverse industry segments. This approach has helped the company to tap projects and clients from the EU.

Innovative Designs and Services

KBL is a leading company in offering innovative designs and services. It has established an R&D division to incorporate the latest technologies in its products. The company has also developed a solution using the IT technology RAPID (Rapid Access to Pump Information and Design), which allows customers around the globe to know the finer details of its products. This service saves clients' time and also facilitates in pre-determining their requirements.

The company is one of the leaders whose products have low life-cycle costs

Brand Image

KBL has a strong brand image in fluid-handling products across the globe. The company has been active in this industry for more than 80 years; this experience has facilitated it in having a better understanding of customer requirements. KBL has been able to leverage its brand image to penetrate the EU market.

Future Plans

As a part of its growth strategy, KBL is targeting markets in Europe, the USA, Africa, and South East Asia. It has as a strong brand presence in the EU through various tie-ups with leading suppliers. The company is planning to increase its focus on special

projects such as government contracts, which will utilise the company's products.

KBL has plans to further reduce the life-cycle cost of its pumps to become more competitive in international markets. The company is planning to aggressively market centrifugal pumps in the EU region

www.kbl.co.in