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KIRLOSKAR PNEUMATIC COMPANY LIMITED

A Kirloskar Group Company

SEC & LEGAL/17

June 25, 2020

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai 400 001
Scrip Code - 505283

Kind Atten.: Ms. Bharti Bhambwani, Relationship Manager

Dear Madam,

Sub.: Outcome of Board Meeting

Pursuant to Regulation 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith:

A. Financial Results

1. The Audited financial results of the Company for the quarter and year ended 31st March, 2020 which were approved by the Board of Directors in its meeting held on June 25, 2020;
2. Auditor's Report received from M/s. P.G. Bhagwat, Chartered Accountants, Statutory Auditors of the Company on aforesaid Audited Financial Results;
3. Segment Wise Report;
4. A statement of Assets and Liabilities as at 31st March, 2020;
5. Cash flow Statement;
6. A Declaration to the effect stating that the aforesaid Audit Report is with unmodified opinion.

- B. Interim dividends aggregating to Rs 2.70 (135%) per equity share of Rs 2/- each for the year 2019-20 shall be considered as Final Dividend.

C. Re-appointment of Directors

1. The Board of Directors of the Company at their meeting held today, have re-appointed Mr. K Venkataramanan as an Independent Director of the Company for





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another (second) term of 2 (Two) consecutive years with effect from 27th July, 2020, not liable to retire by rotation, subject to the approval of Members by way of Special Resolution through Postal Ballot.

Further, as per BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, the Company hereby affirms that Mr. K Venkataramanan is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

2. The Board of Directors of the Company at their meeting held today, have re-appointed Mrs. Nalini Venkatesh as an Independent Director of the Company for another (second) term of 5 (Five) consecutive years with effect from 25th July, 2020, not liable to retire by rotation, subject to the approval of Members by way of Special Resolution.

Further, as per BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, the Company hereby affirms that Mrs. Nalini Venkatesh is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.

D. Appointment of Independent Director:

This is to inform you that pursuant to the provisions of the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board of Directors of Kirloskar Pneumatic Company Limited ("the Company") in their meeting held on June 25, 2020 have approved the appointment of Mr. K Srinivasan as an Additional and Independent Director of the Company with effect from June 25, 2020 subject to the approval of the Members. He will hold office as an Independent Director for a term of 5 (Five) consecutive years upto June 24, 2025, subject to the approval of the Members.

Further, as per BSE Circular No. LIST/COMP/14/2018-19 dated June 20, 2018, the Company hereby affirms that the Mr. K Srinivasan is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.





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He is not a relative of any Director on the Board of the Company.

A brief profile of Mr. K Srinivasan is as under :

Mr. K Srinivasan is a Graduate in Mechanical Engineering from REC, Surathkal, Karnataka. He was the Vice President of Wendt India Limited after which he was associated with Carborundum Universal Limited since 1999. He became the Managing Director of Carborundum Universal Limited from 1st February, 2005 and superannuated on 22nd November, 2019. He has served as a Director in various Boards of Indian and foreign Companies including Wendt India Ltd., Murugappa Morgan Thermal Ceramics Limited, Sterling Abrasives Limited, Volzhsky Abrasives Works, Russia, CUMI Australia Pty Limited, Foskor Zirconia Pty Limited etc.

The meeting of the Board of Directors of the Company commenced at 11:15 A.M. and concluded at 1:55 P.M.

For Kirloskar Pneumatic Company Limited

Aditya Kowshik
Managing Director
DIN 00228983



Encl: as above



KIRLOSKAR PNEUMATIC COMPANY LIMITED

A Kirloskar Group Company

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AUDITED FINANCIAL RESULTS FOR THE YEAR ENDED MARCH 31, 2020

Rs. in Lacs

Sr. No.	Particulars	Quarter ended on			Year ended on March 31,	
		Mar 31	Dec 31	Mar 31	2020	2019
		2020	2019	2019	Audited	Audited
		Audited	Reviewed	Audited	Audited	Audited
I	Revenue from operations	22,289	22,126	25,202	82,113	71,024
II	Other Income	760	342	511	1,847	1,451
III	Total income (I + II)	23,049	22,468	25,713	83,960	72,475
IV	EXPENSES					
	Cost of material consumed	12,266	12,416	13,185	47,409	37,998
	Changes in inventories of finished goods, stock in trade & work in progress	(1,549)	(435)	(25)	(2,967)	(625)
	Employee benefit expense	2,946	2,703	2,526	11,149	10,116
	Finance Cost	57	19	2	121	15
	Depreciation and amortisation expense	1,066	928	638	3,256	2,185
	Other Expenses	5,143	4,277	4,737	17,800	14,763
	Total expenses (IV)	19,929	19,908	21,063	76,768	64,452
V	Profit/(Loss) before exceptional items & tax (III - IV)	3,120	2,560	4,650	7,192	8,023
VI	Exceptional items	-	-	-	-	-
VII	Profit/ (Loss) before tax (V - VI)	3,120	2,560	4,650	7,192	8,023
VIII	Tax expenses					
	Current Tax (net of write back of previous year)	825	577	1,347	1,621	2,110
	Deferred Tax	(108)	166	44	221	387
IX	Profit/ (Loss) for the period (VII - VIII)	2,403	1,817	3,259	5,350	5,526
X	Other Comprehensive Income					
	i) Items that will not be reclassified to profit or loss	(1,835)	326	94	(2,217)	291
	ii) Income tax relating to items that will not be reclassified to profit or loss	88	(2)	42	82	39
	Total Comprehensive Income for the period (IX + X) (Comprising Profit / (Loss) and Other Comprehensive Income for the period)	656	2,141	3,395	3,215	5,856
XI	Paid up Equity Share Capital (Face Value of Rs. 2/- each)	1,284	1,284	1,284	1,284	1,284
XIII	Other Equity				48,178	48,099
XIV	Earning per equity share basic and diluted (Rs.) (Not Annualised)	3.74	2.83	5.07	8.33	8.60



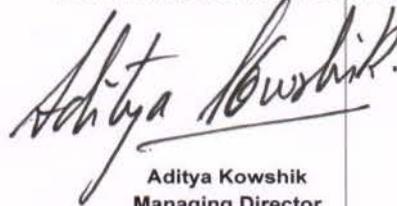


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Notes

- 1 The above Results have been reviewed and recommended by the Audit Committee & approved by the Board of Directors at its Meeting held on 25th June 2020.
- 2 Company has provided Income Tax for the year ended on 31st March, 2020 and remeasured its Deferred Tax Asset / Liability on the basis of rates prescribed under section 115BAA of the Income Tax Act, 1961 exercising the option permitted under that section.
- 3 The Board of Directors at its meeting held on 23rd Jan. 2020 had declared the Interim Dividend of Rs. 1 per equity share of Rs 2 each (i.e. 50 percent) for the financial year 2019-2020. The Board of Directors at its meeting held on 4th March 2020 had declared the Second Interim Dividend of Rs. 1.70 per equity share of Rs 2 each (i.e. 85 percent) for the financial year 2019-2020. The first & second Interim Dividends were paid on 18th February 2020 & 24th March 2020 respectively. At the Board meeting held on 25th June 2020, the Directors have not proposed any Final Dividend and the total Dividend of Rs. 2.70 per equity share of Rs. 2 each shall be the Final Dividend.
- 4 In response to the Nation wide lockdown imposed by the Central Government in order to contain spread of COVID-19, Company's operations were suspended w.e.f. 23rd March, 2020 which consequently affected the activities of the Company during the last week of March 2020. The operations of the Company have remained suspended thereafter in Apr 2020 and some part of May 2020. Saswad & Hadapsar plants commenced partial operations w.e.f. 13th May, 2020 & 22nd May, 2020 respectively. While operations of Saswad plant are being ramped up gradually w.e.f. 30th May, 2020 without any restrictions, Hadpsar plant continues to operate with a limited manpower of 10% of its strength. The Company is continuously evaluating the current situation of COVID-19 pandemic and its potential effects on the performance and financials and is taking appropriate measures to the extent possible to mitigate the impact of disruption.
- 5 Previous Years figures have been regrouped, rearranged or reclassified wherever necessary to correspond to Current Year's

For Kirloskar Pneumatic Co. Ltd.



Aditya Kowshik
Managing Director



Place : Pune
Date : June 25, 2020



Independent Auditor's Report on Audited standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

**INDEPENDENT AUDITOR'S REPORT
TO THE BOARD OF DIRECTORS OF KIRLOSKAR PNEUMATIC COMPANY LIMITED
Report on the audit of the Standalone Financial Results**

Opinion

We have audited the accompanying standalone quarterly and annual financial results of Kirloskar Pneumatic Company Limited (the company) for the quarter ended 31st March 2020 and the year to date results for the period from 1st April 2019 to 31st March 2020, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive income and other financial information for the quarter ended 31st March 2020 as well as the year to date results for the period from 1st April 2019 to 31st March 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the *Auditor's Responsibilities for the Audit of the Standalone Financial Results* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Management's Responsibilities for the Standalone Financial Results

These quarterly financial results as well as the year to date standalone financial results have been prepared on the basis of the interim financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit/loss and other comprehensive income and other financial information in accordance with the accounting principles generally accepted in India including The Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rule 2015 (as amended) under Section 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The quarterly standalone financial results for the period ended March 31, 2020 are the derived figures between the audited figures in respect of the year ended March 31, 2020 and the published year-to-date figures up to December 31, 2019, being the date of the end of the third quarter of the current financial year, which were subjected to limited review as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For M/S P G BHAGWAT
Chartered Accountants
Firm's Registration Number 101118W



Sanjay Athavale
Partner. Membership Number 83374
Pune: Date: 25-06-2020
UDIN: 20083374AAAA B54244





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SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED

Rs. in Lacs

Sr. No.	Particulars	Quarter ended on			Year ended on	
		Mar 31	Dec 31	Mar 31	March 31st	
		2020	2019	2019	2020	2019
		Audited	Reviewed	Audited	Audited	Audited
1	Segment Revenue					
	a Compression Systems	21,241	20,768	23,571	76,783	66,144
	b Transmission Products	752	1,207	1,576	4,721	4,733
	c Other	296	151	55	609	147
	TOTAL	22,289	22,126	25,202	82,113	71,024
	Less : Inter Segment revenue	-	-	-	-	-
	Net Sales/ Income from operations	22,289	22,126	25,202	82,113	71,024
2	Segment Results					
	Profit/(Loss) before tax and interest from each segment					
	a Compression Systems	4,544	4,095	6,288	13,012	13,408
	b Transmission Products	(570)	(231)	(112)	(1,026)	(994)
	TOTAL	3,974	3,864	6,176	11,986	12,414
	Less : i. Interest	57	19	2	121	15
	ii. Other unallocable expenditure net off unallocable income	797	1,285	1,524	4,673	4,376
	Total Profit/(Loss) Before Tax	3,120	2,560	4,650	7,192	8,023
3	Capital Employed					
	Segment Assets					
	a Compression Systems	48,139	47,075	39,609	48,139	39,609
	b Transmission Products	3,862	4,493	3,646	3,862	3,646
	Segment Liabilities					
	a Compression Systems	25,196	26,404	22,494	25,196	22,494
	b Transmission Products	2,151	2,051	2,094	2,151	2,094
	Segment Capital Employed					
	a Compression Systems	22,943	20,671	17,115	22,943	17,115
	b Transmission Products	1,711	2,442	1,552	1,711	1,552
	TOTAL Capital employed in segments	24,654	23,113	18,667	24,654	18,667
	Add : Unallocable corporate assets	25,517	28,681	31,558	25,517	31,558
	Less : Unallocable corporate liabilities	709	963	842	709	842
	Net Unallocable Corporate Assets / (Liabilities)	24,808	27,718	30,716	24,808	30,716
	Total Capital employed in the Company	49,462	50,831	49,383	49,462	49,383





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Statement of Assets and Liabilities as at 31st March 2020

Rs. in Lacs

Sr. No.	Particulars	As at 31st March	
		2020	2019
	ASSETS		
(1)	Non-current assets		
	(a) Property, Plant and Equipment	20,313	11,962
	(b) Capital work-in-progress	718	5,943
	(c) Other Intangible assets	352	215
	(d) Intangible assets under development	203	469
	(e) Financial Assets		
	(i) Investments	3,134	4,974
	(ii) Loans	286	273
	(f) Deferred tax assets (net)	-	160
	(g) Other non-current assets	152	894
	Total non-current assets	25,158	24,891
(2)	Current assets		
	(a) Inventories	15,920	9,634
	(b) Financial Assets		
	(i) Investments	10,639	14,615
	(ii) Trade receivables	18,910	18,352
	(iii) Cash and cash equivalents	2,695	2,937
	(iv) Bank balance other than (iii) above	305	254
	(v) Loans	134	66
	(vi) Others	89	-
	(c) Current tax asset (net)	661	169
	(d) Other current assets	3,007	3,893
	Total current assets	52,360	49,921
	TOTAL ASSETS	77,518	74,812
	EQUITY AND LIABILITIES		
	Equity		
	(a) Equity share capital	1,284	1,284
	(b) Other equity	48,178	48,099
	Total equity	49,462	49,383
(1)	Liabilities		
	Non-current liabilities		
	(a) Financial Liabilities		
	(i) Borrowings	-	53
	(ii) Other financial liabilities	9	9
	(b) Provisions	517	464
	(c) Deferred tax liabilities (net)	61	-
	(d) Other non-current liabilities	11	16
	Total non-current liabilities	598	542
(2)	Current liabilities		
	(a) Financial liabilities		
	(i) Borrowings	2,778	-
	(i) Trade payables		
	Due to Micro, Small and Medium Enterprises	1,782	684
	Other Trade Payables	11,941	12,628
	(ii) Other financial liabilities	5,349	5,287
	(b) Other current liabilities	4,925	5,837
	(c) Provisions	683	451
	Total current liabilities	27,458	24,887
	Total liabilities	28,056	25,429
	TOTAL EQUITY AND LIABILITIES	77,518	74,812





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CASH FLOW STATEMENT

	Rs. in Lacs	
	As at 31st March	
	2020	2019
	Audited	
A) Cash Flow From Operating Activities		
Profit Before Tax	7,192	8,023
Adjustments for :		
Depreciation and amortisation expense	3,256	2,185
Interest income	(19)	(36)
Unwinding of Interest on Security Deposits	(12)	(11)
Amortisation of prepaid rent	-	12
Share Based Payment	116	-
Dividend income	(378)	(499)
MTM Gain on hedge transactions	(89)	-
Net Gain on Financial Instruments Mandatorily Measured at Fair	(522)	(380)
Loss/(gain) on Sale of Investments	71	14
Loss/(gain) on disposal of property, plant and equipment	(39)	(45)
Finance costs	121	15
Bad Debts	768	180
Operating profit before working capital adjustments	10,465	9,458
Working capital adjustments		
(Increase)/decrease in trade receivables	(1,326)	2,398
(Increase)/decrease in inventories	(6,286)	(692)
(Increase)/decrease in other financial assets	(120)	65
(Increase)/decrease in other non-financial assets	1,094	(1,626)
Increase/(decrease) in trade payables	410	(2,969)
Increase/(decrease) in financial liabilities	(122)	(52)
Increase/(decrease) in non-financial liabilities	(946)	1,002
Increase/(decrease) in provisions	(43)	(12)
Cash generated from operations	3,126	7,572
Income taxes paid	(2,219)	(2,318)
Net cash inflow from operating activities	907	5,254
B) Cash flow from investing activities		
Payments for property, plant and equipment, intangible assets	(5,449)	(7,258)
Proceeds from sale of property, plant and equipment, intangible	47	67
Sale / Redemption of Investments	8,755	6,444
Purchase of Investments	(4,375)	(5,392)
Interest income	19	36
Dividend income	378	498
Net cash outflow from investing activities	(625)	(5,605)
C) Cash flow from financing activities		
Repayment of borrowings	(16)	(14)
Proceeds from borrowings	2,778	-
Finance costs	(61)	(10)
Lease Payments	(24)	-
Payment of fractional entitlement to eligible shareholders	0	(3)
Dividends paid (including dividend distribution tax)	(3,201)	(2,595)
Net cash outflow from financing activities	(524)	(2,622)
Net increase/(decrease) in cash and cash equivalents	(242)	(2,973)
Cash and cash equivalents at beginning of the financial year	2,937	5,910
Cash and cash equivalents at end of the financial year	2,695	2,937





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June 25, 2020

KIRLOSKAR PNEUMATIC COMPANY LIMITED

A Kirloskar Group Company

BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street,
Mumbai 400 001
Scrip Code - 505283

Kind Atten.: Ms. Bharti Bhambwani, Relationship Manager

Dear Madam,

Sub.: Audit Report with unmodified opinion

Pursuant to Regulations 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended; we hereby state that M/s. P. G. Bhagwat, Chartered Accountants (Firm Registration No. 1 01118W) the Statutory Auditor of the Company have issued the Audit Report with unmodified opinion on the Audited Financial Results of the Company for the quarter and the year ended 31 March 2020.

You are requested to take the same on record.

For Kirloskar Pneumatic Company Limited

Aditya Kowshik
Managing Director
DIN 00228983



An IMS Certified Company

Manufacturer of Air, AC, Refrigeration, Gas compressors & systems and Transmission Equipments
Regd. Office: Hadapsar Industrial Estate, Pune - 411 013 INDIA. Tel.: +91 (20) 2672 7000
Fax: +91 (20) 2687 0297 Email sec@kpcl.net Website: www.kirloskarpcl.com
CIN No.: L29120PN1974PLC110307

