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## KIRLOSKAR PNEUMATIC COMPANY LIMITED

A Kirloskar Group Company

Ref.: SEC\57

October 27, 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 Unaudited financial results of the Company for the quarter ended on 30<sup>th</sup> September, 2020 which were approved by the Board of Directors in its meeting held on October 27, 2020;
2. Segment Wise Report;
3. Statement of Assets and Liabilities;
4. Statement of Cash flows;
5. A Limited Review Report received from M/s. P. G. Bhagwat, Chartered Accountants, Pune.

**B. 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 October 27, 2020 have approved the appointment of Mr. Tejas Deshpande as an Additional and Independent Director of the Company with effect from October 27, 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 October 26, 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. Tejas Deshpande is not debarred from holding the office of director by virtue of any SEBI order or any other such authority.



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@kpcpl.net Website: www.kirloskarpcl.com  
CIN No.: L29120PN1974PLC110307







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He is not a relative of any Director on the Board of the Company. A brief profile of Mr. Tejas Deshpande is as under :

Brief Profile

Mr. Tejas Deshpande (age 39) passed out of ILS, Law College, Pune and has been practicing law for the last 16 years. He predominantly has a litigation practice, in various courts, with focus on High Court, Mumbai and Supreme Court of India. He specializes in real estate, infrastructure and company law related cases.

Mr. Tejas Deshpande assisted in writing and researching book 'Kuler – Indian Contract Act' on Indian Contract Act published in 2003. He also assisted in researching book 'Pollock & Mulla – Indian Contract Act and Specified Relief Acts' which was edited and republished in 2004.

Currently, Mr. Tejas Deshpande is on the Board of Kirloskar Industries Limited and Valecha Engineering Limited.

**C. Resignation of Independent Director:**

This is to inform you that Mr. K. Srinivasan tendered his resignation as Independent Director with immediate effect.

**D. Appointment of Independent Director:**

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 October 27, 2020 have approved the appointment of Mr. K. Srinivasan as an Additional and Whole-Time Director designated as Executive Director of the Company with effect from October 27, 2020 to January 1, 2021 and further re-designated as the Managing Director, with substantial powers of Management w.e.f. January 2, 2021 upto October 26, 2023 subject to the approval of the Members. He will hold office for a term of 3 (Three) consecutive years upto October 26, 2023, 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.

He is not a relative of any Director on the Board of the Company. A brief profile of Mr. K. Srinivasan is as under:





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Brief Profile

K Srinivasan till recently, was the Managing Director of Carborundum Universal Limited (CUMI) a Rs 2800 crore company with 28 manufacturing sites in 7 countries. Cumi is a leader in Abrasives, Ceramics and Electrominerals and a part of the Murugappa Group. Was the longest serving non-family managing director in the Murugappa Group.

Srinivasan began his career in 1980 with brief stints at Widia India Limited and Philips India Ltd. In 1983, he joined Wendt India Ltd where he was instrumental in turning around the company and finally bringing it into the Cumi fold. He has had stints of running the Industrial Ceramic business and Abrasive business of Cumi. Since taking over as Managing Director in 2005, he has grown Cumi from a leading Indian abrasive company to a global player with major operations in Russia, China, South Africa, Australia and Thailand. He was ranked as the Most Valuable CEO of mid-sized companies in India in 2012. He was in the Boards of Volzhsky Abrasives Ltd, Murugappa Morgan Thermal Ceramics, Wendt India Ltd, Sterling Abrasives Ltd, Foskor Zirconia Pte SA, Cumi Australia, China and the US. Currently on the Boards of Kirloskar Pneumatic Company Ltd. and Aspinwall & Company Limited.

Srinivasan is a Mechanical Engineer from REC Surathkal and has attended several Executive Development / Leadership Programmes at global institutions.

This is to further inform you that the meeting of the Board of Directors of the Company commenced at 11.00 A.M and concluded at 1.50 P. M. on October 27, 2020.

Thanking you,  
Yours faithfully,  
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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**STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS  
FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2020**

Rs. in Lacs

Sr. No.	Particulars	Quarter ended on			Six Months ended on September 30,		Year ended on March 31,
		Sept 30	June 30	Sept 30	2020		2020
		2020	2020	2019	2020	2019	2020
		Unaudited	Unaudited	Unaudited	Unaudited		Audited
I	Revenue from operations	14,607	7,766	19,684	22,373	37,697	82,113
II	Other Income	412	499	580	911	745	1,847
III	<b>Total income ( I + II )</b>	<b>15,019</b>	<b>8,265</b>	<b>20,264</b>	<b>23,284</b>	<b>38,442</b>	<b>83,960</b>
IV	<b>EXPENSES</b>						
	Cost of material consumed	7,999	2,693	11,750	10,692	22,727	47,409
	Changes in inventories of finished goods, stock in trade & work in progress	(516)	706	(316)	190	(983)	(2,967)
	Employee benefit expense	2,486	2,593	2,765	5,079	5,500	11,149
	Finance Cost	35	13	40	48	45	121
	Depreciation and amortisation expense	947	945	641	1,892	1,263	3,256
	Other Expenses	3,220	2,123	4,384	5,343	8,379	17,800
	<b>Total expenses ( IV )</b>	<b>14,171</b>	<b>9,073</b>	<b>19,264</b>	<b>23,244</b>	<b>36,931</b>	<b>76,768</b>
V	<b>Profit/(Loss) before exceptional items &amp; tax ( III - IV )</b>	<b>848</b>	<b>(808)</b>	<b>1,000</b>	<b>40</b>	<b>1,511</b>	<b>7,192</b>
VI	Exceptional items	-	-	-	-	-	-
VII	<b>Profit/ (Loss) before tax ( V - VI )</b>	<b>848</b>	<b>(808)</b>	<b>1,000</b>	<b>40</b>	<b>1,511</b>	<b>7,192</b>
VIII	Tax expenses						
	Current Tax ( net of write back of previous year )	-	-	18	-	218	1,621
	Deferred Tax	256	(240)	198	16	163	221
IX	<b>Profit/ (Loss) for the period ( VII - VIII )</b>	<b>592</b>	<b>(568)</b>	<b>784</b>	<b>24</b>	<b>1,130</b>	<b>5,350</b>
X	<b>Other Comprehensive Income</b>						
	i) Items that will not be reclassified to profit or loss	458	629	(513)	1,087	(709)	(2,217)
	ii) Income tax relating to items that will not be reclassified to profit or loss	(8)	(8)	(1)	(16)	(4)	82
XI	<b>Total Comprehensive Income for the period ( IX + X ) (Comprising Profit / (Loss) and Other Comprehensive Income for the period)</b>	<b>1,042</b>	<b>53</b>	<b>270</b>	<b>1,095</b>	<b>417</b>	<b>3,215</b>
XII	Paid up Equity Share Capital (Face Value of Rs. 2/- each)	1,284	1,284	1,284	1,284	1,284	1,284
XIII	Other Equity						48,178
XIV	<b>Earning per equity share basic and diluted (Rs.) ( Not Annualised )</b>	<b>0.92</b>	<b>(0.88)</b>	<b>1.22</b>	<b>0.04</b>	<b>1.76</b>	<b>8.33</b>



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**SEGMENT-WISE REVENUE, RESULTS AND CAPITAL EMPLOYED**

Sr. No.	Particulars	Quarter ended on			Six Months ended on		Rs. in Lacs
		Sept 30	June 30	Sept 30	September 30th		Year ended on
		2020	2020	2019	2020	2019	March 31st
		Unaudited	Unaudited	Unaudited	Unaudited		Audited
<b>1</b>	<b>Segment Revenue</b>						
	a Compression Systems	13,685	7,087	18,631	20,772	34,774	76,783
	b Transmission Products	857	652	956	1,509	2,762	4,721
	c Other Revenue	65	27	97	92	161	609
	<b>TOTAL</b>	<b>14,607</b>	<b>7,766</b>	<b>19,684</b>	<b>22,373</b>	<b>37,697</b>	<b>82,113</b>
	Less : Inter Segment revenue	-	-	-	-	-	-
	<b>Net Sales/ Income from operations</b>	<b>14,607</b>	<b>7,766</b>	<b>19,684</b>	<b>22,373</b>	<b>37,697</b>	<b>82,113</b>
<b>2</b>	<b>Segment Results</b>						
	Profit/(Loss) before tax and interest from each segment						
	a Compression Systems	2,197	150	2,568	2,347	4,372	13,012
	b Transmission Products	(335)	(74)	(257)	(409)	(224)	(1,026)
	<b>TOTAL</b>	<b>1,862</b>	<b>76</b>	<b>2,311</b>	<b>1,938</b>	<b>4,148</b>	<b>11,986</b>
	Less : i. Finance Cost	35	13	40	48	45	121
	ii. Other unallocable expenditure net off unallocable income	979	871	1,271	1,850	2,592	4,673
	<b>Total Profit/(Loss) Before Tax</b>	<b>848</b>	<b>(808)</b>	<b>1,000</b>	<b>40</b>	<b>1,511</b>	<b>7,192</b>
<b>3</b>	<b>Capital Employed</b>						
	<b>Segment Assets</b>						
	a Compression Systems	43,998	43,528	40,895	43,998	40,895	48,139
	b Transmission Products	3,370	3,349	3,875	3,370	3,875	3,862
	<b>Segment Liabilities</b>						
	a Compression Systems	24,165	22,796	23,323	24,165	23,323	25,196
	b Transmission Products	1,386	1,422	1,871	1,386	1,871	2,151
	<b>Segment Capital Employed</b>						
	a Compression Systems	19,833	20,732	17,572	19,833	17,572	22,943
	b Transmission Products	1,984	1,927	2,004	1,984	2,004	1,711
	<b>TOTAL Capital employed in segments</b>	<b>21,817</b>	<b>22,659</b>	<b>19,576</b>	<b>21,817</b>	<b>19,576</b>	<b>24,654</b>
	Add : Unallocable corporate assets	29,602	27,501	29,707	29,602	29,707	25,517
	Less : Unallocable corporate liabilities	735	580	643	735	643	709
	<b>Net Unallocable Corporate Assets / (Liabilities)</b>	<b>28,867</b>	<b>26,921</b>	<b>29,064</b>	<b>28,867</b>	<b>29,064</b>	<b>24,808</b>
	<b>Total Capital employed in the Company</b>	<b>50,684</b>	<b>49,580</b>	<b>48,640</b>	<b>50,684</b>	<b>48,640</b>	<b>49,462</b>



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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 27th October, 2020. The Statutory Auditors have conducted 'Limited Review' of the Financial Results.
2. The Company's operations and financial results for the quarter and half year ended 30th September 2020 have been impacted by the lockdown imposed by Government Authorities to contain the spread of COVID-19. While the impact of lockdown was substantial during the first quarter, during the current quarter the operations improved gradually in different plants at different times with requisite precautions though with limited availability of workforce particularly in Hadapsar plant apart from disrupted supply chain. The results for the quarter and half year ended on 30th September 2020 are therefore not comparable with those of the corresponding quarter and half year of the previous year.

The Company has assessed the impact of pandemic on its financial position based on the internal and external information available up to the date of approval of these financial results and does not expect any impairment of the carrying value of its assets.

Disclosures relating to impact on operations of the Company have been filed from time to time with the BSE Limited.

3. Previous Years figures have been regrouped, rearranged or reclassified wherever necessary to correspond to Current Year's figures.

Place : Pune  
Date : October 27, 2020



For Kirloskar Pneumatic Co. Ltd

Aditya Kowshik  
Managing Director







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Statement of Assets and Liabilities as at 30th September 2020

Sr. No.	Particulars	Rs. in Lacs		
		As at 30th September		Year ended on March 31,
		2020	2019	2020
		<b>Unaudited</b>		<b>Audited</b>
(1)	<b>ASSETS</b>			
	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	18,785	14,046	20,313
	(b) Capital work-in-progress	511	5,768	718
	(c) Other Intangible assets	300	482	352
	(d) Intangible assets under development	285	117	203
	(e) Financial Assets			
	(i) Investments	4,158	4,251	3,134
	(ii) Loans	292	280	286
	(f) Deferred tax assets (net)	-	-	-
	(g) Other non-current assets	105	326	152
	<b>Total non-current assets</b>	<b>24,436</b>	<b>25,270</b>	<b>25,158</b>
(2)	<b>Current assets</b>			
	(a) Inventories	16,970	12,189	15,920
	(b) Financial Assets			
	(i) Investments	11,334	13,373	10,639
	(ii) Trade receivables	13,694	15,868	18,910
	(iii) Cash and cash equivalents	3,108	2,521	2,694
	(iv) Bank balance other than (iii) above	2,006	251	306
	(v) Loans	117	226	134
	(vi) Others	12	40	89
	(c) Current tax asset (net)	1,206	1,313	661
	(d) Other current assets	4,088	3,425	3,007
	<b>Total current assets</b>	<b>52,535</b>	<b>49,206</b>	<b>52,360</b>
	<b>TOTAL ASSETS</b>	<b>76,971</b>	<b>74,476</b>	<b>77,518</b>
	<b>EQUITY AND LIABILITIES</b>			
	<b>Equity</b>			
	(a) Equity share capital	1,284	1,284	1,284
	(b) Other equity	49,400	47,356	48,178
	<b>Total equity</b>	<b>50,684</b>	<b>48,640</b>	<b>49,462</b>
(1)	<b>Liabilities</b>			
	<b>Non-current liabilities</b>			
	(a) Financial Liabilities			
	(i) Borrowings	-	45	-
	(ii) Other financial liabilities	9	9	9
	(b) Provisions	607	503	517
	(c) Deferred tax liabilities (net)	77	3	61
	(d) Other non-current liabilities	9	12	11
	<b>Total non-current liabilities</b>	<b>702</b>	<b>572</b>	<b>598</b>
(2)	<b>Current liabilities</b>			
	(a) Financial liabilities			
	(i) Borrowings	2,510	3,730	2,778
	(i) Trade payables			
	Due to Micro, Small and Medium Enterprises	2,240	287	1,781
	Other Trade Payables	6,452	11,248	11,941
	(ii) Other financial liabilities	5,494	4,800	5,349
	(b) Other current liabilities	8,108	4,683	4,925
	(c) Provisions	781	516	684
	<b>Total current liabilities</b>	<b>25,585</b>	<b>25,264</b>	<b>27,458</b>
	<b>Total liabilities</b>	<b>26,287</b>	<b>25,836</b>	<b>28,056</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>76,971</b>	<b>74,476</b>	<b>77,518</b>





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## CASH FLOW STATEMENT

	Rs. in Lacs		
	As at 30th September		Year ended on March 31,
	2020	2019	2020
	Unaudited		Audited
<b>A) Cash Flow From Operating Activities</b>			
Profit Before Tax	40	1,511	7,192
<b>Adjustments for :</b>			
Depreciation and amortisation expense	1,892	1,263	3,256
Interest income	(51)	(7)	(19)
Unwinding of Interest on Security Deposits	(6)	(6)	(12)
Amortisation of prepaid rent	-	6	-
Share Based Payment	127	-	116
Dividend income	(41)	(208)	(378)
MTM Loss / ( Gain ) on hedge transactions	7	-	(89)
Net Gain on Financial Instruments Mandatorily Measured at Fair Value Through Profit or Loss	(356)	(236)	(522)
Loss/(gain) on Sale of Investments	(15)	73	71
Loss/(gain) on disposal of property, plant and equipment	(10)	(27)	(39)
Finance costs	48	45	121
Bad Debts	3	747	768
<b>Operating profit before working capital adjustments</b>	<b>1,638</b>	<b>3,161</b>	<b>10,465</b>
<b>Working capital adjustments</b>			
(Increase)/decrease in trade receivables	5,213	1,737	(1,326)
(Increase)/decrease in inventories	(1,049)	(2,555)	(6,286)
(Increase)/decrease in other financial assets	120	(198)	(120)
(Increase)/decrease in other non-financial assets	(1,073)	472	1,094
Increase/(decrease) in trade payables	(5,032)	(1,777)	410
Increase/(decrease) in financial liabilities	253	(484)	(122)
Increase/(decrease) in non-financial liabilities	3,181	(1,157)	(946)
Increase/(decrease) in provisions	251	118	(43)
<b>Cash generated from operations</b>	<b>3,502</b>	<b>(683)</b>	<b>3,126</b>
Income taxes paid	(561)	(1,363)	(2,219)
<b>Net cash inflow from operating activities</b>	<b>2,941</b>	<b>(2,046)</b>	<b>907</b>
<b>B) Cash flow from investing activities</b>			
Payments for property, plant and equipment, intangible assets	(145)	(2,529)	(5,449)
Proceeds from sale of property, plant and equipment, intangible	10	27	47
Sale / Redemption of Investments	4,291	5,925	8,755
Purchase of Investments	(4,617)	(4,520)	(4,375)
Interest income	51	7	19
Dividend income	41	208	378
( Increase ) /decrease in Bank Deposits	(1,734)	-	(1)
<b>Net cash outflow from investing activities</b>	<b>(2,103)</b>	<b>(882)</b>	<b>(626)</b>
<b>C) Cash flow from financing activities</b>			
Repayment of borrowings	(321)	(8)	(16)
Proceeds from borrowings	-	3,730	2,778
Finance costs	(57)	(45)	(61)
Lease Payments	(12)	-	(24)
Payment of fractional entitlement to eligible shareholders	-	(0)	0
Dividends paid (including dividend distribution tax)	(34)	(1,165)	(3,201)
<b>Net cash outflow from financing activities</b>	<b>(424)</b>	<b>2,512</b>	<b>(524)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>414</b>	<b>(416)</b>	<b>(243)</b>
<b>Cash and cash equivalents at beginning of the financial year</b>	<b>2,694</b>	<b>2,937</b>	<b>2,937</b>
<b>Cash and cash equivalents at end of the financial year</b>	<b>3,108</b>	<b>2,521</b>	<b>2,694</b>





## **P G BHAGWAT LLP**

Chartered Accountants  
LLPIN: AAT - 9949

### **HEAD OFFICE**

Suite 102, 'Orchard',  
Dr. Pai Marg, Baner,  
Pune - 411045.  
Tel.: 020 - 27290771 / 1772 / 1773  
Email : pgb@pgbhagwatca.com  
Web : www.pgbhagwatca.com

### **Independent Auditor's Review Report on Unaudited Standalone Quarterly and Year to date financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

Review Report to  
The Board of Directors  
**Kirloskar Pneumatic Company Limited**  
Hadapsar Industrial Estate, Hadapsar,  
Pune-411013

We have reviewed the accompanying statement of standalone unaudited financial results of **Kirloskar Pneumatic Company Limited** (the "Company") for the period ended September 30, 2020 (the "Statement") being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express a conclusion on the Statement based on our review.

We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and an analytical procedure applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies, has not disclosed the information required to be



**Offices at: Mumbai | Kolhapur | Belagavi | Hubballi | Dharwad | Bengaluru**

## **P G BHAGWAT LLP**

Chartered Accountants

LLPIN: AAT - 9949

disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

**For P G Bhagwat LLP**

Chartered Accountants

ICAI Firm Registration Number- 101118W/W100682

Nachiket Deo

Partner

Membership Number: 117695

UDIN: 20117695AAAADY5536



Pune

Date: October 27, 2020