

# KIRLOSKAR PNEUMATIC COMPANY LIMITED

A Kirloskar Group Company

ANNUAL REPORT 2018-2019



Enriching Lives



BRINK  F NEXT

# KAIROS

(καιρός) 'Circumstances  
that open moments of  
opportunity'

## Foundation for Future

In today's rapidly changing world, a whole new era of possibilities has emerged, and along with it a whole new set of challenges. Today, businesses have to be more agile, innovative and sustainable to transform themselves, and to find ways of reinventing themselves to keep up with a dynamic environment. They need to find their *Kairos* moment – where they are poised for transformation and where the mix of effort, investment, ambition and integrity becomes future-focused and customer-centric.

The story of Kirloskar Pneumatic Company Limited (KPCL) is of stability-driven growth with a top line growth of 17%, entry in new markets, introduction of new products and a best-ever order book.

FY19 saw the growth of both of KPCL's main product lines – compression products and transmission products. In addition, the introduction of the third product line, the innovative RoadRailer opened multiple opportunities for the company.





1

**CNG Systems:** The Company is a market leader in CNG systems for City Gas Distribution companies, with a 60% market share. With more and more Indian cities moving to piped gas distribution, KPCL is poised for a major expansion in this sector. The share of natural gas in the country's fuel mix is planned to be raised from the present 6% to a targeted 15%. KPCL is ideally situated to capitalise on this development with its track record in designing, procuring, building and testing high end systems. The roadmap to this growth started developing in FY19, which saw the highest ever turnover from Oil and Natural Gas compression systems.

2

**Cold Chain Business:** KPCL enjoys a dominant position in industrial refrigeration compressors and packages for cold store units, dairy units and pharmaceutical & process plants. The cold chain sector is slated for exponential growth with a push towards modernising agricultural production and distribution. Being the world's largest manufacturer of Open Type Ammonia Refrigeration Compressors, KPCL has demonstrated its capability to take this business to the next level with planned growth of 10% in the sector.

3

**Industrial Business:** KPCL's expertise in engineering is reflected in its over 65% market share in Oil and Gas Refrigeration Systems. Groundwork done in overseas markets has started giving results with the Company becoming an 'Approved Vendor' in almost all Oil & Gas Companies in the Middle East. With KPCL's in-house capability of designing, manufacturing and servicing air compressors, it is reaping the gains from the government's push for road construction projects, a major customer for diesel portable compressors.

# BOARD OF DIRECTORS



Mr Rahul C Kirloskar  
**Executive Chairman**



Mr Aditya Kowshik  
**Managing Director**



Mr Atul C Kirloskar



Mr Vikram S Kirloskar



Mr G Krishna Rao



Mr Sunil Shah Singh



Dr Ajay Kumar Dua



Mr K Venkataramanan



Mrs Nalini Venkatesh



Mr D R Swar

**CHIEF FINANCIAL OFFICER**  
Mr Suhas S Kolhatkar

**BANKERS**  
Bank of India  
Bank of Maharashtra  
Union Bank of India  
ICICI Bank Ltd.  
HDFC Bank Ltd.

**AUDITORS**  
M/s. P G Bhagwat  
Chartered  
Accountants, Pune

**SECRETARIAL AUDITORS**  
M/s SVD & Associates  
Company Secretaries, Pune

**COMPANY SECRETARY**  
Mr Jitendra R Shah

**REGISTERED OFFICE**

Hadapsar Industrial Estate, Pune 411 013  
 Ph. No. 020 – 26727000  
 Email : sec@kpcl.net  
 www.kirloskarkpcl.com  
 CIN : L29120PN1974PLC110307

**REGISTRAR AND SHARE  
TRANSFER AGENT**

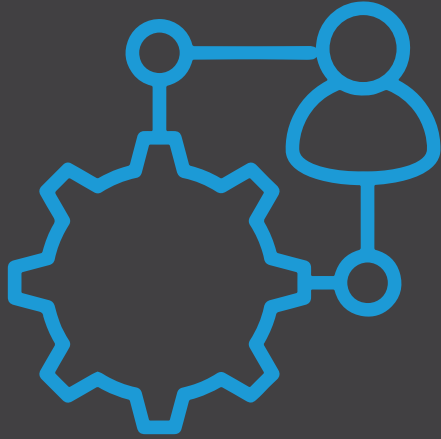
Link Intime India Private Limited  
 Block No. 202, 2<sup>nd</sup> Floor,  
 'Akshay Complex, Near Ganesh Temple,  
 Off Dhole Patil Road, Pune 411001  
 Ph. No. 020 – 26161629 / 26160084

**Information for shareholders****Annual General Meeting**

Day & Date	:	Saturday, 20 <sup>th</sup> July, 2019
Time	:	11.30 a.m.
Venue	:	S M Joshi Socialist Foundation (S M Joshi Hall) S.No. 191/192, Navi Peth Near Ganjave Chowk Pune 411 030
Date of Book	:	13 <sup>th</sup> July, 2019 to 20 <sup>th</sup> July, 2019
Closure	:	(both days inclusive)

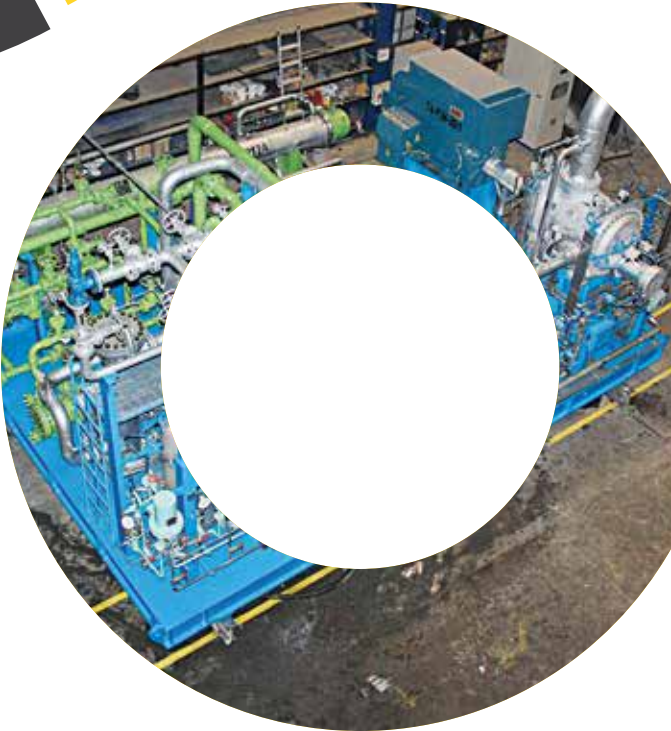
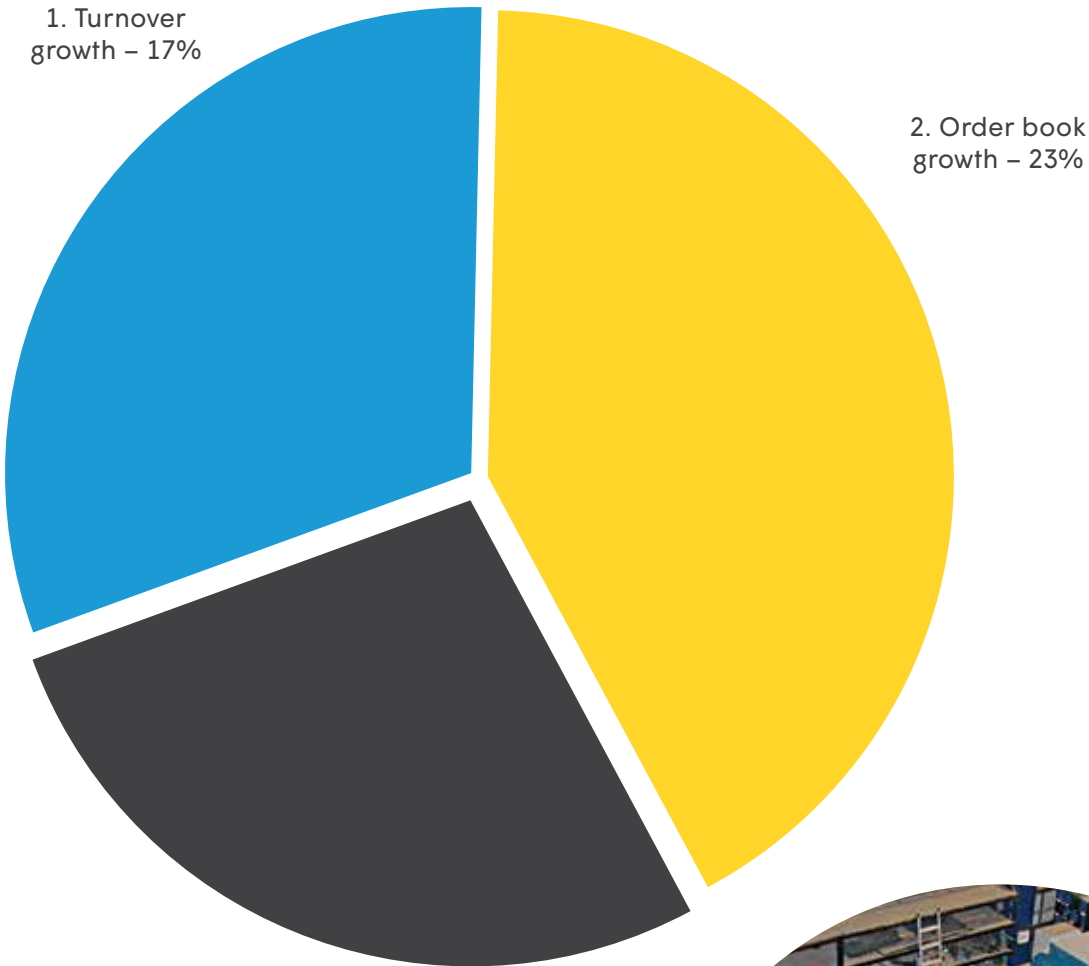
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# At a Glance





# The Story Behind the Story

**- Neeraj Bhargava,  
VP-ACD**

*"For sustainable growth we are bringing an innovative, energy efficient new electric screw compressor, vib-less reciprocating compressor and a wide range of centrifugal (turbo) compressors that will increase productivity and bring energy savings to customers."*

*"We are proud to provide total solutions in gas compression systems from concept, supply, installation, commissioning to operation & maintenance."*

**- Deepak Lokras,  
VP-PGS**



*"We are arguably the largest provider of refrigeration compressors in India and aspiring to grow globally with our new air cooled compressors. We're also the market leader in India for providing customised industrial refrigeration systems from concept to commissioning."*

**- Mrugendra Behere,  
VP-ACR**

**- Suhas Kolhatkar,  
VP-Finance & CFO**

*"We are an effective zero debt company and our liquidity position is an indicator of the financial solidity which is the result of our conviction in improving profitability and realizing the same."*

*"Our mission is to make our company an employer of choice."*

**- S. Padhee,  
VP-HR & IT**

**-N. Vijaykumar,  
GM-Transmission**

*"High end specialized high speed & planetary gearbox tailormade for special industrial applications, and import substitution manufactured with improved infrastructure will help the transmission segment to turn around."*

# Conclusion

FY19 saw the introduction of new ways of doing business, greener processes and technology, and smarter products. These signal KPCL's future-readiness and a positive outlook in coming years.

