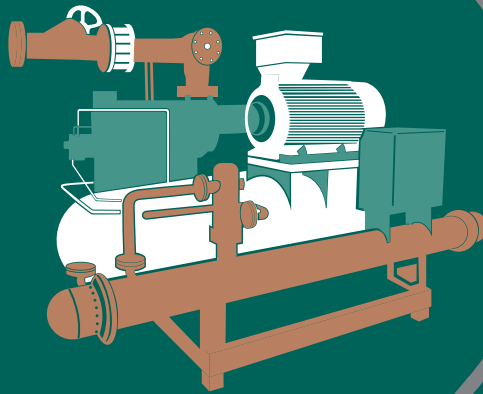


ANNUAL REPORT 2021-22



LIMITLESS

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Financial Statements

For more information,
please, visit our **website**:



Performance FY 2022*

Revenue

₹10,212 Million

Total Income

₹10,335 Million

EBITDA

₹1,515 Million

PAT

₹849 Million

*Rounded off to nearest decimal

About the report

We are pleased to present our first integrated annual report which presents key quantitative and qualitative disclosures on our relationships with the stakeholders. In this report we have adopted the reporting framework developed and designed by International Integrated Reporting Council (IIRC). We remain committed to disclosing relevant information about material issue with the highest levels of transparency and integrity.

Scope and boundary

This report covers information on business operations of Kirloskar Pneumatic Company Limited (KPCL), aptly disclosed through six capitals as defined by IIRC. This report describes our business model, overall performance and related outcome. The parameters for the financial capital covered in this report are in relation to KPCL on standalone basis.

Reporting period

The major reporting period for the Annual Report is 1st April, 2021 to 31st March, 2022. However, certain portions of the report provide facts and numbers from prior years in order to give readers a complete picture.

Reporting framework

This report follows the international framework developed by IIRC.

Along with the international framework, this report is in line with the following:

- The Companies Act, 2013
- Indian Accounting Standards
- The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Assurance for financial statements

To ensure the integrity of facts and information, the financial statements are audited by Kirtane & Pandit LLP, Chartered Accountants and the 'Independent Auditor's Report' has been duly incorporated as part of this report.

Stakeholder feedback

Stakeholders' constructive participation and feedback are welcomed and appreciated.

Email: sec@kirloskar.com

Website: <https://www.kirloskarpneumatic.com>

Our stakeholders

- Employees
- Shareholders and investors
- Customers
- Suppliers
- Communities
- Regulatory bodies and government

Forward-looking statements

This report contains forward looking statements that describe our expectations, based on reasonable assumptions and past performance. These are subject to change in light of developments in the industry, geographical market conditions, government regulations, laws and other incidental factors. These statements must not be used as a guarantee of our future performance, as the underlying assumptions could change materially.

Our Capitals



Financial Capital



Manufactured Capital



Intellectual Capital



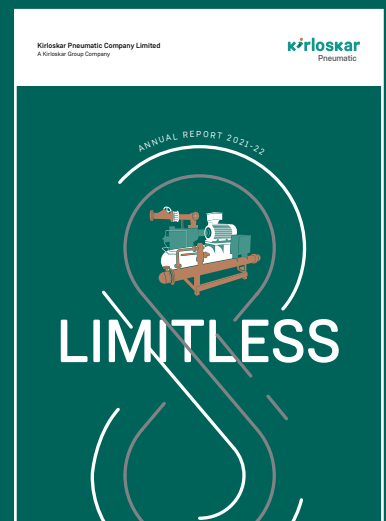
Human Capital



Social and Relationship Capital



Natural Capital



Corporate Information

BOARD OF DIRECTORS

Mr Rahul C Kirloskar
Executive Chairman

Mr K Srinivasan
Managing Director

Mr Atul C Kirloskar

Mr Vikram S Kirloskar

Mr G Krishna Rao

Mr D R Swar

Mr Sunil Shah Singh

Dr Ajay Dua

Mr K Venkataramanan

Mrs Nalini Venkatesh

Mr Tejas Deshpande

Mr Mahesh Chhabria

CHIEF FINANCIAL OFFICER

Mr Suhas S Kolhatkar

COMPANY SECRETARY

Mr Jitendra R Shah

AUDITORS

Kirtane & Pandit LLP, Chartered Accountants

SECRETARIAL AUDITORS

M/s SVD & Associates, Company Secretaries

BANKERS

Bank of India

Bank of Maharashtra

ICICI Bank Ltd

HDFC Bank Ltd

REGISTRAR AND SHARE TRANSFER AGENT

Link Intime India Private Limited

Block No. 202, 2nd Floor,

'Akshay' Complex,

Near Ganesh Temple,

Off Dhole Patil Road,

Pune-411 001

Ph. No. 020-46014473

REGISTERED OFFICE

Hadapsar Industrial Estate,

Pune 411 013

Ph. No. 020-26727000

Email: sec@kirloskar.com

www.kirloskarpneumatic.com

CIN L29120PN1974PLC110307

Financials at a Glance

₹ in Million

Particulars	Ind AS					Indian GAAP				
	2021-22	2020-21	2019-20	2018-19	2017-18	2016-17	2015-16	2014-15	2013-14	2012-13
Revenue from Operations	10,211.73	8,232.64	8,290.81	7,102.44	6064.40*	5,533.05*	5,088.78	4,409.59	5,099.27	5,488.09
Profit Before Tax	1,141.24	838.78	719.15	802.29	726.81	714.40	516.45	284.19	614.65	707.76
Profit After Tax	849.24	638.42	534.92	552.62	499.43	537.80	363.79	225.75	388.30	470.98
Dividend (%)#	200.00	175.00	135.00	125.00	120.00	100.00	70.00	50.00	100.00	120.00
Dividend Per Share (₹)	4.00	3.50	2.70	2.50	12.00	10.00	7.00	5.00	10.00	12.00
Earning Per Share (₹)#	13.19	9.94	8.33	8.60	38.88	41.87	28.32	17.58	30.23	36.67
Book Value Per Share (₹)#	102.17	91.59	77.02	76.90	359.38	331.48	250.34	230.43	220.03	201.50
Share Capital	128.89	128.53	128.44	128.44	128.44	128.44	128.44	128.44	128.44	128.44
Reserves and Surplus	6,455.73	5,757.91	4,817.77	4,809.86	4,487.48	4,129.07	3,086.89	2,831.24	2,697.66	2,459.63
Shareholders' Funds	6,584.62	5,886.44	4,946.21	4,938.30	4,615.92	4,257.51	3,215.33	2,959.68	2,826.10	2,588.07
Loan Funds	-	400.00	277.78	5.31	6.88	-	-	-	-	-
Total Capital Employed	6,584.62	6,286.44	5,223.99	4,943.61	4,622.80	4,257.51	3,215.33	2,959.68	2,826.10	2,588.07
Net Block	2,293.65	1,750.17	2,066.53	1,217.81	748.09	793.65	817.42	970.59	1,139.07	1,020.38

Note:

- The Company transitioned into Ind AS from 1st April, 2016.
- *Sales include excise duty of ₹ 59 Million collected from Customers upto 30th June, 2017 i.e. till the date of implementation of GST (Previous year ₹ 388 Million for full year).
Sales net of excise duty is ₹ 6,005.40 Million. (Previous year ₹ 5,145.05 Million).
- #The equity shares of the Company were sub-divided from ₹ 10/- per share to ₹ 2/- per share w.e.f. 27th September, 2018.

The image features a dark teal background. The word "LIMIT" is written in a large, white, bold, sans-serif font, centered horizontally. Overlaid on the text are several geometric elements: a large teal arc above the letters, a dark red arc below it, and a diagonal line crossing through the text from the bottom left to the top right. This diagonal line is composed of several segments in teal, dark red, orange, and white. The overall design is modern and minimalist.

LIMIT

At Kirloskar Pneumatic Company Limited (KPCL), we are always engineered to think about our customers, about society and what's next. When we think about 'what's next' we inevitably unleash our intrinsic potential to excel. It is this potential that makes opportunities limitless.

We develop various sophisticated and high-tech products for various industrial sectors, nationally as well as internationally. We evolve continuously to keep pace with changing times and upgrade our products to maintain the highest standards of quality and reliability.

The overriding objective is to stay at the cutting edge of innovation to meet and exceed the aspirations of our customers. Our in-house resources provide the capability

LESS

to engineer, design, manufacture, construct, commission and service products and systems for key sectors of the economy.

KPCL has embarked on its Industry 4.0 journey. We today have nearly all our Screw Compressors with 'smart sensors' and IoT making them easier to track, monitor and service. The plants have more connected machines that allow us to optimise machine utilisation and maximise throughput. Clearly all this will allow us to move from a 'Right-to-play' position to a 'Right-to-win' position.

We are fully equipped to capitalise on the opportunities, as they unfold and are working together to build a future for all that is Limitless.

About Kirloskar Group

Innovators for tomorrow

For over 133 years, Kirloskar Group has nurtured a legacy of excellence and innovation. In 1888, when others looked to the past, one man looked to the future. From a bicycle shop to India's first iron plough, he set in motion the nation's industrial revolution. Today, we are known as the leader of castings, diesel engine manufacturing, backup power solutions, pneumatic packages and cooling solutions, forming the backbone of several industries. With many firsts to our name, we innovate solutions that challenge convention and create a limitless future.

The Group companies are actively present across diverse sectors of agriculture, manufacturing, food and beverage, oil and gas, infrastructure and real estate. The sustainability and profitability of these businesses can largely be attributed to a sense of values woven into their foundation.

Our Group has always worked towards the progress of society, and interestingly the entire story began with an iron plough. Shri Laxmanrao Kirloskar, our founder began his journey by setting up a small bicycle repair shop at Belgaum, Karnataka, India, a hundred years ago. He later developed it into a small-scale machine tool workshop to manufacture iron plough and chaff cutters - one of the many engineering innovations that the Group would pioneer, going forward.

Our founder is recognised today as one of the doyens of Indian industry, and a notable social reformer. At the core, he was an entrepreneur with a passion for innovation that made the lives of people better. His legacy today provides employment to thousands of people in India, and positively impacts the lives of millions of people in India and around the world.

133+ Years
Of engineering excellence

05
Listed companies

₹10,533 Cr
Combined* market cap



KIRLOSKAR
PNEUMATIC CO LTD.

Embracing transformation

As a Group, our transformation has been marked by the introduction of Industry 4.0 and extraordinary technological advances like the Internet of Things (IoT), artificial intelligence, 3D printing, robotics and nanotechnology, among others.

The Group, with a firm focus on the future, is evolving to deliver solutions that are driven by innovation and create new growth avenues. Being at the forefront of building products and solutions that bring engineering excellence to our customers, the Group is aware of its responsibility to conserve non-renewable resources and implement more sustainable business practices.

row

₹7,158 cr
Combined net worth of the Group*

6,500+
Employees across the group companies

*Market cap based on closing market price of 31st March, 2022.

*Listed companies include Kirloskar Ferrous Industries Ltd., Kirloskar Industries Ltd., Kirloskar Oil Engines Ltd., Kirloskar Pneumatic Company Ltd. and Indian Seamless Tubes Ltd. (ISMT).

*ISMT effective acquisition date 10th March, 2022.

About KPCL

Engineering a future-ready tomorrow

A leading player in Air, Refrigeration and Gas Compression business in India, Kirloskar Pneumatic Company Limited (KPCL) has been serving diverse industries across the globe by deploying its design, R&D, manufacturing and innovation capabilities.

1st
supplier
of traction
gears to
Indian
Railways

Founded in 1958* by Shantanurao Kirloskar, KPCL is a core company of Kirloskar Group which has a rich legacy of over 133 years. We focus on providing sophisticated and high-tech products using our state-of-the-art manufacturing technologies. Through our diverse offering we serve numerous industries including Oil, Gas, Steel, Cement, Food processing, Railways, Air Separation, Automobile, Defence and Marine among others. Our assorted offerings include Air Conditioning and Refrigeration, Air Compressors, Process Gas Systems and Transmissions.

Our Values



Excellence

In everything we do, Quality without compromise



Integrity

Say what we do, and do what we say



Collaboration

We grow with People and Partners



Empathy

We always Listen and Learn

Towards all Stakeholders



Values Creation

We are building for a shared prosperous future

Towards all Stakeholders



Innovative Thinking

Be Bold & Brave and stay Relevant

*Kirloskar Pneumatic Company Limited (Formerly KPCL founded in 1958)