

Report on Corporate Governance

(Pursuant to Regulation 34 (3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (the Regulations))

1. COMPANY'S PHILOSOPHY ON CODE OF CORPORATE GOVERNANCE

The Company's philosophy of Corporate Governance aims at establishing and practicing a system of good corporate governance which will assist the management in managing the Company's business in an efficient and transparent manner towards fulfilling the corporate objectives and to meet the obligations and best subserve the interest of the stakeholders.

2. BOARD OF DIRECTORS

a. Composition of the Board

The Board comprised of 6 Directors as on 31 March 2016. The Composition of the Board is as under:

Category of Directors	No. of Directors
Executive	1
Non-Executive and Independent	3
Non-Executive and Non-Independent	2
Total	6

b. Number of Board Meetings

During the Financial Year under review, six meetings of the Board of Directors were held as follows:

- 19 May 2015
- 29 June 2015
- 31 July 2015
- 26 October 2015
- 1 February 2016
- 14 March 2016

c. Directors' attendance record and directorships held

The information on composition and category of the Board of Directors as on 31 March 2016, attendance of each Director at Board Meetings held during the Financial Year 2015-16 and the Annual General Meeting (AGM) held on 29 June 2015, Directorships and Committee positions in other public companies of which the Director is a Member / Chairman / Chairperson and the shareholding of Non-Executive Directors is as follows:

Sr. No.	Name of Director	No. of shares held by Non-Executive Directors	No. of Directorships in other public limited companies*	No. of Committee positions held in other public limited companies**		Attendance at the meetings	
				Chairman / Chairperson	Member	Board	AGM
1.	Executive Director Mr. Anil C. Kulkarni \$, #	NA	1	Nil	Nil	6	Present
2.	Non-Executive and Non-Independent Directors Mr. Atul C. Kirloskar ***, \$	10,39,631	5	1	1	6	Present
3.	Mr. Anil N. Alawani \$	500	3	1	4	6	Present
4.	Non-Executive and Independent Directors Mr. Vijay K. Bajhal ****	Nil	1	1	Nil	4	Present
5.	Mr. Sunil Shah Singh ****	Nil	1	Nil	1	6	Present
6.	Mrs. Savita P. Sahasrabudhe ****	5	1	Nil	1	6	Present

Notes:

- * Excludes directorships in private limited companies, foreign companies and companies under Section 8 of the Companies Act, 2013.
- ** For this purpose only Audit and Stakeholders' Relationship Committee of the Public Limited Companies has been considered as per the Regulation 26(1) (b) of the Regulations.
- *** Deemed as Promoters within the meaning of Securities Exchange Board of India (SEBI) (Substantial Acquisition of Shares & Takeover) Regulations, 2011.
- **** Appointed as Independent Director of the Company with effect from 29 June 2015.
- \$ Regularised as Director in the AGM held on 29 June 2015.
- # Appointed as Executive Director with effect from 1 July 2015.

No other Director is related to any other Director of the Company within the meaning of Section 2 (77) of the Companies Act, 2013 and Rules thereof.

d. Criteria for performance evaluation

The Nomination and Remuneration Committee lays down the criteria for performance evaluation of Directors. The annual evaluation of Directors is made on the following criteria:

- i. Attendance for the meetings, participation and independence during the meetings;
- ii. Interaction with Management;
- iii. Role and accountability of the Board and;
- iv. Knowledge and proficiency.

e. Meeting of Independent Directors

The meeting of Independent Directors was held on Friday, 18 December 2015, to discuss, *inter alia*:

- (a) the performance of Non-Independent Directors and the Board of Directors as a whole;
- (b) the performance of the Chairman of the Company, taking into account the views of Executive Director and Non-Executive Directors;
- (c) the quality, quantity and timeliness of flow of information between the management of the Company and the Board of Directors that is necessary for the Board of Directors to effectively and reasonably perform their duties.

f. Familiarisation program for Independent Directors

1. Independent Directors of the Company are made aware of their role, rights and responsibilities at the time of their appointment, through a formal letter of appointment, which also stipulates various terms and conditions of their engagement. Further copies of Code of Conduct and Policies adopted by the Board as per regulatory provisions are made available to Independent Director at the time of joining.
2. During quarterly Board Meetings, all Board Members are updated on regular basis, by way of presentations where Directors have an opportunity to interact with senior management personnel. Presentations cover, *inter alia*, quarterly and annual results, budgets, review of internal audit report, information on business performance, operations, financial parameters, senior management change, major litigations, compliances, risk management and regulatory scenarios and such other areas as may arise from time to time.
3. The programme is available on the Company's website viz. **www.pneumaticholdings.com**.

g. Code of Conduct

The Company has laid down a Code of Conduct for all the Board Members and Senior Management Personnel. The Code of Conduct is available on the Company's website viz., **www.pneumaticholdings.com**. All the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct. A declaration to this effect signed by the Executive Director forms part of this Report.

h. Information supplied to the Board

Among others, this includes:

- i. Review of annual operating plans of business, capital budgets, updates;
- ii. Quarterly results of the Company and its operating divisions or business segments;
- iii. Material important show cause, demand, prosecution and penalty notices;
- iv. Fatal or serious accidents, dangerous occurrences, any material effluent or pollution problems;
- v. Details of any joint venture or collaboration agreement;
- vi. Transactions that involve substantial payment towards goodwill, brand equity or intellectual property;
- vii. Significant labour problems and their proposed solutions;
- viii. Significant development in human resources and industrial relation fronts;

- ix. Non-compliance of any regulatory, statutory provision or listing requirements as well as shareholders service such as non-payment of dividend and delay in share transfer;
- x. Information on recruitment and remuneration of senior officers just below the Board level, including appointment or removal of Chief Financial Officer or the Company Secretary.

3. AUDIT COMMITTEE

a. Composition

The Audit Committee comprises of Four Non-Executive Directors, majority of who are Independent. The composition is in conformity with the Regulation 18 of the Regulations.

During the Financial Year under review, four meetings of the Committee were held on 29 June 2015, 31 July 2015, 26 October 2015 and 1 February 2016.

The composition of the Committee and attendance at its meetings is given below:

Sr. No.	Name of the Member Director	Category	Number of meetings attended
1.	Mr. Vijay K. Bajhal (Chairman)	Non-Executive Independent	2
2.	Mr. Anil N. Alawani	Non-Executive Non-Independent	4
3.	Mrs. Savita P. Sahasrabudhe	Non-Executive Independent	4
4.	Mr. Sunil Shah Singh	Non-Executive Independent	4

The Company Secretary acts as the Secretary of the Committee. The Executive Director and Chief Financial Officer attend the Audit Committee meetings and Mr. Vijay K. Bajhal, Chairman of the Committee, was present at the Annual General Meeting of the Company held on 29 June 2015. The representatives of the Internal Auditors and Statutory Auditors are invited to the meetings.

b. Terms of Reference

The terms of reference of the Audit Committee include the matters specified under the Regulation 18 read with Schedule II Part C of the Listing Regulations as well as those in Section 177 of the Companies Act, 2013 and inter-alia includes the following:

1. Oversight of the Company's financial reporting process and the disclosures of its financial information to ensure that the Financial Statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board, for approval, with particular reference to:
 - a) Matters required to be included in the Director's Responsibility Statement which is to be included in the Board's report in terms of Clause (c) of Sub - Section 3 of Section 134 of the Companies Act, 2013;
 - b) Changes, if any, in accounting policies and practices and reasons for the same;
 - c) Major accounting entries involving estimates based on the exercise of judgment by management;
 - d) Significant adjustments made in the Financial Statements arising out of audit findings;
 - e) Compliance with listing and other legal requirements relating to Financial Statements;
 - f) Disclosure of any related party transactions;
 - g) Modified opinion(s) in the draft audit report;
5. Reviewing, with the management, the quarterly Financial Statements before submission to the Board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency, monitoring the utilization of proceeds of a public or rights issue and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;

10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
16. Discussion with statutory auditors before the audit commences, about nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. Looking into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Reviewing the functioning of the Whistle Blower mechanism;
19. Approval of appointment of Chief Financial Officer after accessing the qualifications, experience and background, etc. of the candidate;
20. To mandatorily review the following information:
 - a) Management discussion and analysis of financial condition and results of operations;
 - b) Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;
 - c) Management letters / letters of internal control weaknesses issued by the statutory auditors;
 - d) Internal audit reports relating to internal control weaknesses; and
 - e) The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee;
 - f) Statement of deviations:
 - i. Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to the stock exchange(s) in terms of Regulation 32(1);
 - ii. Annual statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice in terms of Regulation 32(7);
21. Carrying out any other function as is mentioned in the terms of reference of Audit Committee.

c. Powers of Audit Committee

- a) To investigate any activity within its terms of reference.
- b) To seek information from any employee.
- c) To obtain outside legal or other professional advice.
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary.

4. NOMINATION AND REMUNERATION COMMITTEE

a. Composition

The Nomination and Remuneration Committee comprises of three Non - Executive Directors, majority of whom are Independent. The composition is in conformity with Regulation 19 of the Regulations.

During the Financial Year under review, one meeting of the Committee was held on 29 June 2015.

The composition of the Committee and attendance at its meetings is given below:

Sr. No.	Name of the Member Director	Category	Number of meetings attended
1.	Mr. Vijay K. Bajhal (Chairman)	Non-Executive Independent	1
2.	Mr. Anil N. Alawani	Non-Executive Non-Independent	1
3.	Mr. Sunil Shah Singh	Non-Executive Independent	1

b. Terms of Reference

The terms of reference of the Nomination and Remuneration Committee include the matters specified under Regulation 19 read with Schedule II Part D of the Listing Regulations as well as those in Section 178 of the Companies Act, 2013 and inter-alia includes the following:

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy, relating to the remuneration of the Directors, Key Managerial Personnel and other employees;
2. Formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;
3. Devising a policy on diversity of Board of Directors;
4. Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;
5. Whether to extend or continue the term of appointment of Independent Director, on the basis of the report of performance evaluation of Independent Directors.

c. Remuneration to Directors

The Board had, on the recommendation of the Nomination and Remuneration Committee framed a 'Nomination and Remuneration Policy' in its meeting held on 29 June 2015.

Further, the Board has amended 'Nomination and Remuneration Policy' by changing the reference to the Listing Agreement by the Listing Regulations in its meeting held on 26 October 2015.

The copy of the same has been attached as 'Annexure II' to the Directors' Report.

The Company pays remuneration by way of salary, perquisites and allowances (fixed component) and commission (variable component) to its Executive Director. The commission to the Executive Director is recommended by the Nomination and Remuneration Committee on the performance evaluation of the Executive Director and is also approved by the Board of Directors. The remuneration to the Executive Director is in accordance with the provisions of the Companies Act, 2013 and Rules thereof and within ceiling prescribed thereunder.

The members at the Annual General Meeting of the Company held on 29 June 2015, approved the payment of commission to the Non-Executive Directors, at the rate upto 1% of the net profits of the Company computed in the manner laid down in Sections 197 and 198 of the Companies Act, 2013.

As per the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation of each of the Non- Executive Directors, the Board of Directors decided the remuneration to them by way of commission as per Schedule V of the Companies Act, 2013.

The sitting fee of ₹ 5,000/- per meeting of the Board and any Committee thereof, attended by the Non-Executive Directors is payable to them.

Details of the remuneration paid to Directors during Financial Year 2015 - 16:

[in ₹]

Sr. No.	Name of Director	Basic Salary	Perquisites & Other Benefits	Contribution to Statutory Funds	Sitting Fees	Commission	Total
	Executive Director						
1.	Mr. Anil C. Kulkarni	31,82,155	-	4,01,146	NA	12,80,000	48,63,301
	Non-Executive Directors						
2.	Mr. Atul C. Kirloskar	-	-	-	25,000	1,20,000	1,45,000
3.	Mr. Anil. N. Alawani	-	-	-	60,000	3,40,000	4,00,000
4.	Mr. Vijay. K. Bajhal	-	-	-	35,000	2,00,000	2,35,000
5.	Mr. Sunil Shah Singh	-	-	-	50,000	2,20,000	2,70,000
6.	Mrs. Savita P. Sahasrabudhe	-	-	-	50,000	1,80,000	2,30,000
	Total	31,82,155	-	4,01,146	2,20,000	23,40,000	61,43,301

Notes

- Perquisites include leave travel assistance, reimbursement of medical expenses, term insurance premium, contributions to provident fund and superannuation fund, provision for gratuity and leave encashment and perquisite value as per Income-tax Rules for motorcar.

5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders' Relationship Committee has been constituted to look into investors' complaints like transfer of shares, non-receipt of Annual Report, non-receipt of declared dividends etc., and redressal thereof. The Committee is headed by Mr. Anil N. Alawani, Non-Independent Director, with Mr. Anil C. Kulkarni, Executive Director and Mrs. Savita P. Sahasrabudhe, Independent Director, being the other members of the Committee.

During the Financial Year under review, one Stakeholders' Relationship Committee meeting was held on 26 October 2015. All the Committee members attended the said meeting.

Mr. Aniket A. Deshpande, Company Secretary is the Compliance Officer.

The Compliance Officer can be contacted at:

Pneumatic Holdings Limited

Survey No. 13, 156 Kothrud,

Pune - 411 038

Tel: (020) 2545 3002 Fax: (020) 2543 4262

E-mail: contact@pneumaticholdings.com; aniket.deshpande@kirloskar.com

With reference to Regulation 6(2)(d) of the Regulations, the Company has designated exclusive e-mail ID for the investors as **contact@pneumaticholdings.com** to register their grievances, if any. The Company has displayed the said e-mail ID on its website for the use of investors.

The total numbers of complaints received and replied to the satisfaction of the shareholders during the year ended 31 March 2016, were NIL and there were no complaints outstanding as on 31 March 2016.

The Company had no share transfer requests pending as on 31 March 2016.

6. GENERAL BODY MEETINGS

The details of General Meetings of the shareholders, held during previous 3 years are as under:-

Financial Year #	Date	Type of Meeting	Venue	Time
2014-15	18 February 2015	Extra-Ordinary General Meeting	Survey No. 13, 156 Kothrud, Pune 411 038	10.00 a.m.
	29 June 2015	Annual General Meeting	S. M. Joshi Socialist Foundation (S. M. Joshi Hall), Navi Peth, Near Ganjave Chowk, Pune 411 030	10.45 a.m.

The Company was incorporated on 16 September 2014, thus data of previous 3 years is not applicable.

In the previous General Meetings, Special Resolutions were passed by the shareholders in respect of the following matters;

- Reduction of share capital of the Company pursuant to the Composite Scheme of Arrangement and Amalgamation between Kirloskar Brothers Investments Limited, Pneumatic Holdings Limited ('the Company') and Kirloskar Oil Engines Limited and their respective Shareholders and Creditors.

No special resolutions passed at the above Annual General Meeting were required to be passed through postal ballot.

At present, no special resolution is proposed to be passed at the ensuing Annual General Meeting.

7. OTHER DISCLOSURES

The Company has complied with the other disclosure requirements of Schedule V of the Regulations.

a. Related Party Transactions

During the Financial Year under review, there was no materially significant related party transaction made by the Company as defined in Regulation 23 of the Listing Regulations that may have potential conflict with the interest of the Company at large. Transactions with the related parties are disclosed in Note No. C-2 to the Financial Statements in the Annual Report.

b. Details of capital market non-compliance, if any

There have been no instances of non-compliances by the Company on any matters related to capital markets, during the year. Neither penalties have been imposed nor any strictures imposed on the Company by the Stock Exchanges, the Securities Exchange Board of India (SEBI) or any other statutory authority on any matter related to capital markets.

c. Whistle Blower Policy / Vigil Mechanism

The Board of Directors has adopted a Whistle Blower Policy / Vigil Mechanism ('the Policy'). This has provided a mechanism for Directors and Employees of the Company and other persons dealing with the Company to report genuine concerns including but not limited to unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct for Board of Directors and Senior Management (the Code) or ethics policy or any other instance, to the Chairman of the Audit Committee. The Policy has also been uploaded on the Company's website at <http://www.pneumaticholdings.com/code-of-conduct/whistle-blower-policy.pdf>

d. Policy for determining 'material' subsidiaries

The Company has a policy for determining 'material' subsidiaries, which has been put up on the website of the Company at <http://www.pneumaticholdings.com/code-of-conduct/policy-on-material-subsiidiaries.pdf>

e. Related Party Transactions Policy

The Company has a Policy on Materiality of Related Party Transactions and dealing with Related Party Transactions which has been put on the website of the Company at <http://www.pneumaticholdings.com/code-of-conduct/policy-on-materiality-of-related-party-transactions-and-dealing-with-related-party-transactions.pdf>

8. LISTING FEES

The Annual Listing Fees for the year under review have been paid to BSE Limited and National Stock Exchange of India Limited, where the Company's shares are listed.

Further the correspondence address of the Stock Exchanges is as follows:

BSE Limited	BSE Limited 1st Floor, P. J. Towers, Dalal Street, Fort, Mumbai 400 001
National Stock Exchange of India Limited	National Stock Exchange of India Limited Exchange Plaza, C – 1, Block G, Bandra-Kurla Complex, Bandra (E), Mumbai 400 051

9. COMMODITY PRICE RISK OR FOREIGN EXCHANGE RISK AND HEDGING ACTIVITIES

The Company is not having any Commodity price risk or foreign exchange risk and not involved in hedging activities.

10. DISCLOSURES OF THE COMPLIANCE WITH CORPORATE GOVERNANCE

The requirements specified in Regulation 17 to 27 and Clauses (b) to (i) of Sub-Regulation (2) of Regulation 46 have been complied in the section on corporate governance of the Annual Report.

11. DISCRETIONARY REQUIREMENTS**a. Shareholders' Rights**

Since the Company publishes its quarterly results in newspapers (English and Marathi) having wide circulation and since the results are also displayed on the website of the Company and the Stock Exchanges, the Company does not send any communication of half yearly performance to the shareholders.

b. Modified opinion(s) in Audit Report

There are no modified opinion(s) on the Financial Statements of the Company for the year ended 31 March 2016, made by the Statutory Auditors in their Audit Report.

c. Disclosure under Schedule VI of the Listing Regulations in respect of unclaimed shares

Pursuant to the Composite Scheme of Arrangement and Amalgamation between Kirloskar Brothers Investments Limited (KBIL) and the Company and Kirloskar Oil Engines Limited (KOEL) and their respective Shareholders and Creditors (the "Composite Scheme"), the Company issued and allotted fully paid 52,88,718 equity shares of ₹10 each in the ratio of 1:1 to the shareholders of Kirloskar Brothers Investments Limited on 14 July 2015.

The Company is in process to send reminder letter to those shareholders, whose share certificates have been returned undelivered by the postal authorities due to insufficient / incorrect information and are lying with the Company.

As on 31 March 2016, the total unclaimed equity shares are 1,01,052.

12. PARTICULARS OF APPOINTMENT / RE-APPOINTMENT OF DIRECTORS

The brief resumes and other details relating to the Directors who are proposed to be appointed / re-appointed, as required to be disclosed under the Regulation 36(3) of the Listing Regulations, forms part of the Statement setting out material facts annexed to the Notice of the Annual General Meeting.

13. MEANS OF COMMUNICATION

a. Quarterly results

The Quarterly and Half Yearly results are published in national and local dailies, namely Financial Express (English) and Loksatta (Marathi), having wide circulation. Since the results of the Company are published in the newspapers, half yearly reports are not sent individually to the shareholders.

The Company's results and official news releases are displayed on the Company's website namely www.pneumaticholdings.com.

b. The National Stock Exchange of India Electronic Application Processing System (NEAPS) and BSE Limited Corporate Compliance and Listing Centre (the 'Listing Centre')

The NEAPS and the Listing Centre of BSE Limited are web based application designed by National Stock Exchange of India Limited and BSE Limited respectively for corporates. All periodicals compliance filings like shareholding pattern, corporate governance report, quarterly results etc. are filed electronically on NEAPS and the Listing Centre of BSE Limited.

c. The Management Discussion and Analysis Report forms part of this Annual Report.

14. GENERAL INFORMATION FOR SHAREHOLDERS

a. Annual General Meeting

Corporate Identification Number (CIN)	U65993PN2014PLC152566
Annual General Meeting	Date and Day : Wednesday, 10 August 2016 Time : 3.30 p.m. Venue : S. M. Joshi Socialist Foundation (S. M. Joshi Hall), S. No. 191/192, Navi Peth, Near Ganjave Chowk, Pune 411 030
Book Closure	Monday, 8 August 2016 to Wednesday, 10 August 2016
Last date of receipt of proxy forms	7 August 2016
Quarterly Financial Results	During the year the financial results were announced as under: First quarter : 31 July 2015 Second quarter : 26 October 2015 Third quarter : 1 February 2016 Annual : 24 May 2016
International Security Identification Number (ISIN)	INE096T01010
BSE Limited (BSE)	539347
National Stock Exchange of India Limited (NSE)	PNEUMATIC
Designated E-mail address for investor services	contact@pneumaticholdings.com

b. Shareholding Pattern as on 31 March 2016

Sr. No.	Category	No. of shares	% of Share holding
1	Promoters	38,34,673	72.51
2	Mutual Funds / UTI	-	-
3	Banks / Financial Institutions and Insurance Companies	2,47,817	4.69
4	Other Bodies Corporate	64,417	1.22
5	Foreign Institutional Investors	-	-
6	Foreign Portfolio Investors	1,41,871	2.68
7	Clearing Members	1,697	0.03
8	NRI	9,496	0.18
9	Foreign Nationals	319	0.01
10	General Public	9,88,428	18.68
	TOTAL	52,88,718	100.00

c. Distribution of Shareholding as on 31 March 2016

Nominal value of Shares		Shareholders		Share Amount	
From	To	Number	% to Total	In ₹	% to Total
Up to	5,000	11,941	97.71	47,05,010	8.90
5,001	10,000	137	1.12	9,53,770	1.80
10,001	20,000	65	0.53	9,08,590	1.72
20,001	30,000	24	0.20	6,01,270	1.14
30,001	40,000	8	0.07	2,84,940	0.54
40,001	50,000	7	0.06	3,19,670	0.60
50,001	1,00,000	16	0.13	10,75,540	2.03
1,00,001 and above		22	0.18	4,40,38,390	83.27
TOTAL		12,220	100.00	5,28,87,180	100.00

Dematerialisation of shares and liquidity (as on 31 March 2016)	49,75,736
Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company has not issued GDRs / ADRs / Warrants or any Convertible instruments.

d. Market Price Data

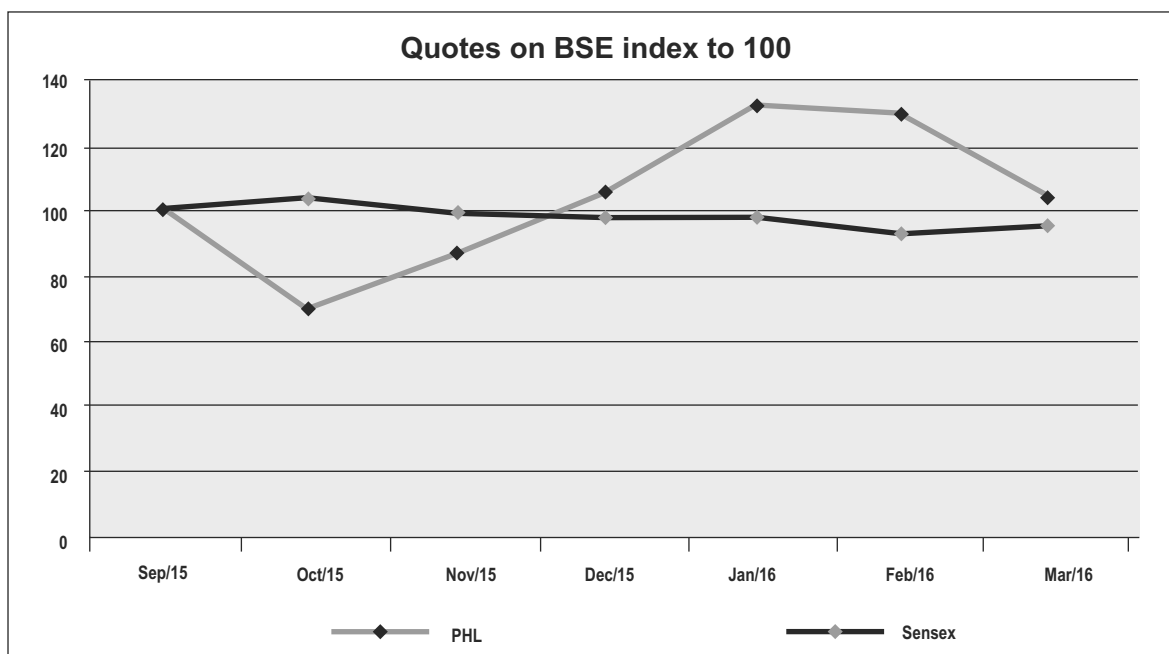
The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 18 September 2015.

Monthly high / low during the year 2015-16 on BSE Limited and National Stock Exchange of India Limited are as under:

Stock Exchange	BSE Limited		National Stock Exchange of India Limited	
	High (₹)	Low (₹)	High (₹)	Low (₹)
September 2015	666.85	442.60	665.10	411.00
October 2015	500.00	399.00	497.95	411.00
November 2015	590.00	411.00	588.00	400.00
December 2015	689.75	532.00	625.00	545.00
January 2016	833.00	571.25	850.00	586.00
February 2016	815.25	670.00	797.35	652.90
March 2016	685.00	551.00	661.00	544.05

e. Performance in comparison to broad-based indices – BSE Sensex

The equity shares of the Company were listed on BSE Limited and National Stock Exchange of India Limited on 18 September 2015.



f. Share Transfer System

i. The applications for transfer of shares lodged at the Company's Registrar and Share Transfer Agent in physical form are processed within 15 days of receipt of the valid and complete documents in all respects. After such processing, the Registrar and Share Transfer Agent will issue share certificate to the concerned shareholder within 15 days of receipt of certificate for transfer. Shares under objection are returned within a stipulated period of time. The transfer applications are approved periodically by the senior management of the Company.

ii. Pursuant to the Listing Regulations, a certificate on half yearly basis is issued by the Practicing Company Secretary for compliance with share transfer formalities by the Company.

iii. Registrar and Share Transfer Agent (R&T Agent)

The entire work of the Company, relating to processing of transfer of shares has been given to an outside agency i.e., Link Intime India Private Limited being a SEBI Registered R & T Agent. The contact details are as follows –

Link Intime India Private Limited	'Akshay' Complex, Block No. 202, 2 nd Floor, Off Dhole Patil Road, Pune 411 001 Tel: (020) 2616 1629 / 2616 0084 E-mail: pune@linkintime.co.in
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iv. Shareholder References

• **Permanent Account Number (PAN)**

Shareholders holding shares in the physical form are informed that as per SEBI's guidelines, it is mandatory to furnish copy of PAN Card in the following cases:

- a) Transferees' and Transferors' PAN Cards for transfer of shares,
- b) Surviving joint holders' PAN Cards for deletion of name of deceased shareholder,
- c) Legal heirs' PAN Cards for transmission of shares,
- d) Joint holders' PAN Cards for transposition of shares.

• **E-mail Address**

In order to enable us to further extend our support towards paperless compliance as a part of Green Initiative in the Corporate Governance, which was introduced by the Ministry of Corporate Affairs (MCA) in the year 2011, the shareholders who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses.

In respect of shares held in physical form, shareholders are requested to register their e-mail addresses with the Company / the R & T Agent.

In respect of shares held in dematerialized form, shareholders are requested to register their e-mail addresses with Depository Participants (DPs).

- **Dematerialization of shares**

Shareholders are requested to dematerialize their physical share holdings through any of the nearest Depository Participants (DPs) in order to avoid hassles involved with physical shares such as possibility of loss / mutilation of share certificate(s) and to ensure safe and speedy transaction in securities.

- **Register Your National Electronic Clearing Services (NECS) Mandate**

The Reserve Bank of India (RBI) has initiated NECS for credit of Dividend directly to the Bank Account of shareholders. Shareholders holding shares in electronic mode are requested to register their latest Bank Account details with their Depository Participant and in physical form with the Company's R & T Agent viz. Link Intime India Private Limited.

g. Address for correspondence

Shareholders' correspondence should be addressed to Link Intime India Private Limited, the Registrar and Share Transfer Agent, at the address mentioned above. Shareholders can also e-mail their queries / grievances to the following e-mail address: contact@pneumaticholdings.com

h. CEO / CFO Certification

The CEO / CFO Certificate signed by Mr. Anil C. Kulkarni, Executive Director and Ms. Vinaya V. Wagh, Chief Financial Officer was placed before the meeting of the Board of Directors held on 24 May 2016.

DECLARATION UNDER SCHEDULE V(D) OF THE LISTING REGULATIONS BY THE EXECUTIVE DIRECTOR OF AFFIRMATION BY THE BOARD OF DIRECTORS AND SENIOR MANAGEMENT OF COMPLIANCE WITH THE CODE OF CONDUCT

To The Members of PNEUMATIC HOLDINGS LIMITED

I, Anil C. Kulkarni, Executive Director of the Company, do hereby declare that all the members of the Board of Directors and Senior Management Personnel have affirmed compliance with the Code of Conduct of Board of Directors and Senior Management of Pneumatic Holdings Limited made effective from 1 July 2015.

For Pneumatic Holdings Limited

Sd/-
Anil C. Kulkarni
Executive Director
DIN: 00030995

Pune : 24 May 2016