



Enriching Lives

KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

Date: 9 August 2019

BSE Scrip Code: **533293**

NSE Scrip Code: **KIRLOSENG**

To
Corporate Relationship Department
BSE Limited
1st Floor, Rotunda Building,
Dalal Street, Fort,
Mumbai – 400 001

To
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, C -1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051

Dear Sir/Madam,

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

1. The Standalone and Consolidated Un-audited Financial Results of the Company for the quarter ended 30 June 2019, which were approved by the Board of Directors in its meeting held on 9 August 2019.
2. A copy of Limited Review Report of the Company, dated 9 August 2019, received from M/S. P. G. Bhagwat, Chartered Accountants, Statutory Auditors of the Company.
3. The present term of Mr. Pratap G. Pawar (DIN 00018985), Independent Director of the Company, is valid upto 11 August 2019. Consequent to this, he will ceased to be a Director of the Company with effect from 12 August 2019.
4. The Board of Directors have appointed, Mr. Kandathil Mathew Abraham (DIN 05178826), as an Additional Independent Director of the Company for first term of 5 years, with effect from 10 August 2019, subject to approval of members of the Company.

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

A brief profile of Mr. Kandathil Mathew Abraham is as under:

Mr. Kandathil Mathew Abraham (age 61) is a former civil servant from the Indian Administrative Service. He joined the civil services in 1982 and retired in December 2017 as the Chief Secretary to the Government of Kerala. Earlier, he had a stint as Whole Time Member in the Board of SEBI during which tenure he is credited with having produced several landmark orders that have gone a long way in improving the integrity of financial markets and protecting investors.

Currently, he serves as the Chief Executive Officer of the Kerala Infrastructure Investment Fund Board (KIIFB), a Statutory Body under the Government of Kerala, tasked with the responsibility of building infrastructure of Rs. 60,000 crore in the State.



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Besides that, he is the Chairman of the Kerala Development and Innovation Strategic Council (K-DISC), a thinktank setup by the Government of Kerala to bring in strategic projects and emerging technologies into governance and to create a state-wide innovation network for youth. He also serves as the Chairman of the Implementation Committee for the Rebuilding Kerala Initiative that was set up by the Government of Kerala in the aftermath of the devastating August 2018 floods in the State.

He holds a PhD with specialisation in Technology Planning from the University of Michigan in Ann Arbor, USA. He is also a Chartered Financial Analyst (CFA®), USA and has qualified as a Licensed International Financial Analyst (LIFA), USA. He holds an M.Tech (Industrial and Management Engineering) from the Indian Institute of Technology, Kanpur. His key areas of professional and academic interest are Data Analytics, Financial Risk Management, Emerging Technologies and Public Finance. He is also the winner of several prestigious award for governance and integrity.

He is a director in the following other companies:

Muthoot Capital Services Limited	Trivandrum Engineering Science and Technology Research Park
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In terms of Circular No. LIST/COMP/14/2018-19 dated 20 June 2018 issued by BSE Limited and Circular No. NSE/CML/2018/02 dated 20 June 2018, issued by National Stock Exchange of India Limited, Mr. Kandathil Mathew Abraham is not debarred from holding the office of a Director by virtue of any order by SEBI or any other authority.

The meeting of the Board of Directors of the Company commenced at 10.45 am and concluded at 11.30 am

You are requested to take the same on your record.

Thanking you,

Yours faithfully,
For Kirloskar Oil Engines Limited

S. A. Raichurkar

Smita Raichurkar
Company Secretary

Encl.: As above.



KIRLOSKAR OIL ENGINES LIMITED

CIN : L29120PN2009PLC133351

Registered office : Laxmanrao Kirloskar Road, Khadki, Pune - 411003

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2019

(₹ in Crores)

Particulars	Quarter ended			Year ended
	30-06-2019	31-03-2019	30-06-2018	31-03-2019
	Unaudited	Audited	Unaudited	Audited
1 Income				
a) Revenue from operations	765.10	848.05	819.97	3,204.35
b) Other Income	11.34	17.83	12.60	61.53
Total income	776.44	865.88	832.57	3,265.88
2 Expenses				
a) Cost of raw materials and components consumed	335.23	348.54	391.03	1,444.10
b) Purchase of traded goods	180.68	155.28	143.99	618.70
c) Changes in inventories of finished goods, work-in-progress and traded goods	(6.77)	3.96	16.21	8.27
d) Employee benefits expense	53.51	56.01	51.56	215.73
e) Finance costs	0.78	1.40	0.81	4.24
f) Depreciation and amortisation expense	17.18	17.30	19.77	72.86
g) Other expenses	129.06	146.48	135.22	566.44
Total expenses (a to g)	709.67	728.97	758.59	2,930.34
3 Profit before exceptional items and tax	66.77	136.91	73.98	335.54
4 Exceptional items - (Expenses) / Income				
5 Profit before tax (3 + 4)	66.77	136.91	73.98	335.54
6 Tax expense :				
Current tax	22.29	44.24	23.48	110.78
Deferred tax	0.37	0.57	0.86	(0.22)
Total Tax expense (6)	22.66	44.81	24.34	110.56
7 Net Profit / (Loss) for the period (5 - 6)	44.11	92.10	49.64	224.98
8 Other Comprehensive Income / (Expense)				
Re-measurement gains / (losses) on defined benefit plans and others	(0.10)	(0.74)	0.22	(0.05)
Income tax effect on above	0.03	0.35	(0.08)	0.02
Total other comprehensive income for the year, net of tax (8)	(0.07)	(0.39)	0.14	(0.03)
9 Total comprehensive income for the year, net of tax (7 + 8)	44.04	91.71	49.78	224.95
10 Paid-up equity share capital (Face value of ₹ 2 each)	28.92	28.92	28.92	28.92
11 Other Equity				1,746.20
12 Basic and diluted EPS (₹) (Face value of ₹ 2 each) [not annualized]	3.05	6.37	3.43	15.56

Contd...2



Notes

- 1 The Company operates in single reportable segment namely 'Engines'.
- 2 The above statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 3 During the quarter, the Company has invested Rs.499.50 Crores towards subscribed and paid-up capital in its wholly owned subsidiary viz. ARKA fincap limited (formerly known as Kirloskar Capital Limited)
- 4 Effective 1 April, 2019, the Company adopted Ind AS 116 "Leases", applied to lease contracts existing on 1 April, 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. Accordingly, comparatives for the previous quarters and year ended March 31, 2019 have not been retrospectively adjusted. The effect of this adoption is not material on the profit for the quarter.
- 5 The Company was eligible for Industrial Promotion Subsidy (IPS) under the Packaged Scheme of Incentives-2001 from 1 April 2008 to 31 March 2017. The Company had received an extension of the said Scheme of Incentives, for a further period of 2 years i.e. till 31 March 2019. The receivables under the said Scheme for the extended period are fair valued at Rs. 51.52 Crs. and are included in the Revenue from Operations for the quarter and year ended 31 March 2019.
- 6 The figures for the quarter ended 31 March 2019 are balancing figures between audited figures in respect of full financial year ended 31 March 2019 and the published year to date figures upto the third quarter ended 31 December 2018. The figures for the previous periods have been regrouped wherever required to make them comparable with those of the current period.
- 7 The above results for the quarter ended 30 June 2019 are reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 9 August 2019 and are subjected to a "Limited Review" by the Statutory Auditors.

Registered Office:

Laxmanrao Kirloskar Road,
Khadki, Pune - 411 003

Place : Pune

Date : 9 August 2019

For Kirloskar Oil Engines Limited



Rajendra R. Deshpande
Managing Director & CEO



M/s P. G. BHAGWAT

CHARTERED ACCOUNTANTS

HEAD OFFICE

Suites 101 - 102, 'Orchard',
Dr. Pai Marg, Baner,
Pune - 411045.

Tel.: 020 - 27290771, 27291772, 27291773
Email : pgb@pgbhagwatca.com
Web : www.pgbhagwatca.com

The Board of Directors
Kirloskar Oil Engines Limited
Laxmanrao Kirloskar road,
Khadki, Pune 411003

We have reviewed the accompanying statement of standalone unaudited financial results of **Kirloskar Oil Engines Limited** for the period ended **30th June 2019** being submitted by the company pursuant to the requirement of regulation 33 of SEBI (Listing Obligations and disclosure requirements) Regulations, 2015, as amended.

The preparation of the Statement 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, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report 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 standalone 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 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 M/s P.G Bhagwat,
Chartered Accountants,
Firm's Registration Number: 101118W



Nachiket Deo
Partner

Membership No. 117695

UDIN: 19117695AAAA03007

Place: Pune

Date: 09th August 2019

KIRLOSKAR OIL ENGINES LIMITED

CIN : L29120PN2009PLC133351

Registered office : Laxmanrao Kirloskar Road, Khadki, Pune - 411003

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2019

(₹ in Crores)

Particulars	Consolidated			
	Quarter ended			Year ended
	30-06-2019	31-03-2019	30-06-2018	31-03-2019
	Unaudited	Note No-9	Note No-9	Audited
1 Income				
a) Revenue from operations	902.48	964.88	942.81	3,627.67
b) Other Income	11.96	18.68	14.85	65.47
Total income	914.44	983.56	957.66	3,693.14
2 Expenses				
a) Cost of raw materials and components consumed	409.99	405.34	452.00	1,673.73
b) Purchase of traded goods	187.01	162.20	147.54	632.89
c) Changes in inventories of finished goods, work-in-progress and traded goods	(7.78)	5.88	31.92	22.24
d) Employee benefits expense	64.16	64.34	57.82	242.91
e) Finance costs	3.10	3.51	4.56	14.52
f) Depreciation and amortisation expense	22.13	23.24	25.13	94.40
g) Other expenses	163.96	183.51	165.83	680.99
Total expenses (a to g)	842.57	848.02	884.80	3,361.68
3 Profit before exceptional items and tax	71.87	135.54	72.86	331.46
4 Exceptional items - (Expenses) / Income				
5 Profit before tax (3 + 4)	71.87	135.54	72.86	331.46
6 Tax expense :				
Current tax	25.48	46.68	23.51	113.21
Deferred tax	(0.74)	(1.91)	1.71	(1.37)
Total Tax expense (6)	24.74	44.77	25.22	111.84
7 Net Profit / (Loss) for the period (5 - 6)	47.13	90.77	47.64	219.62
8 Other Comprehensive Income / (Expense)				
Re-measurement gains / (losses) on defined benefit plans and others	(0.09)	(0.58)	0.31	0.17
Income tax effect on above	0.02	0.30	(0.06)	0.00
Total other comprehensive income for the year, net of tax (8)	(0.07)	(0.28)	0.25	0.17
9 Total comprehensive income for the year, net of tax (7 + 8)	47.06	90.49	47.89	219.79
10 Profit for the period attributable to:				
a) Owners of the Company	46.54	90.44	47.37	219.17
b) Non-controlling interest	0.59	0.33	0.27	0.45
11 Other comprehensive income for the period attributable to:				
a) Owners of the Company	(0.07)	(0.31)	0.26	0.16
b) Non-controlling interest	0.00	0.03	(0.01)	0.01
12 Total comprehensive income for the period attributable to:				
a) Owners of the Company	46.47	90.13	47.63	219.33
b) Non-controlling interest	0.59	0.36	0.26	0.46
13 Paid-up equity share capital (Face value of ₹ 2 each)	28.92	28.92	28.92	28.92
14 Other Equity				1,669.66
15 Basic and diluted EPS (₹) (Face value of ₹ 2 each) [not annualized]	3.22	6.25	3.28	15.16



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Notes:

- 1 The Parent Company operates in single reportable segment namely 'Engines'. However at consolidated level the Group has identified three reportable segments namely 'Engines' 'Electric Pumps' and 'Financial Services'. The identification of operating segments is consistent with performance assessment and resource allocation by the management. The Consolidated Statement of Segment wise Revenue, Results, Assets and Liabilities are as under:

Particulars	Consolidated			
	Quarter ended			Year ended
	30-06-2019	31-03-2019	30-06-2018	31-03-2019
	Unaudited	Note No-9	Note No-9	Audited
SEGMENT REVENUE				
Engines	690.01	793.44	762.64	2997.34
Electric Pumps	159.08	133.59	139.84	488.99
Financial Services	8.63	0.00	0.00	0.00
Others	44.43	37.34	40.32	140.52
Unallocated	0.33	0.51	0.01	0.82
REVENUE FROM OPERATIONS	902.48	964.88	942.81	3627.67
SEGMENT RESULTS				
Engines	64.77	131.86	70.60	306.04
Electric Pumps	7.80	5.64	6.82	17.38
Financial Services	1.53	(5.84)	(3.01)	(9.90)
Others	(3.65)	(3.26)	(1.09)	(11.82)
Unallocated	4.52	10.65	4.10	44.28
Total	74.97	139.05	77.42	345.98
Less:				
(i) Finance Cost	3.10	3.51	4.56	14.52
(ii) Exceptional Item	0.00	0.00	0.00	0.00
Profit Before Tax	71.87	135.54	72.86	331.46
SEGMENT ASSETS				
Engines	1119.99	1093.00	1137.87	1093.00
Electric Pumps	448.22	446.24	467.73	446.24
Financial Services	600.70	17.94	9.00	17.94
Others	66.62	75.03	45.78	75.03
Unallocated assets	527.45	972.66	876.89	972.66
TOTAL ASSETS	2762.98	2604.87	2537.27	2604.87
SEGMENT LIABILITIES				
Engines	589.61	546.72	613.68	546.72
Electric Pumps	173.06	173.77	199.46	173.77
Financial Services	80.53	-	-	-
Others	35.53	46.16	26.97	46.16
Unallocated Liabilities	140.44	139.64	75.99	139.64
TOTAL LIABILITIES	1019.17	906.29	916.10	906.29

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- 2 As per IND AS 108 "Operating Segments", The Group has reported 'Segment information' as described below:-
- A) Engines - The Engines segment includes production, sales and services of Engines, Gensets and spares parts.
- B) Electric Pumps - The Electric Pumps segment includes production, sales and services of Electric Pumps.
- C) Financial Services - This segment includes operations of rendering financial services through wholly owned subsidiary ARKA Fincap Limited. (formerly known as Kirloskar Capital Limited)
- D) Other Segments - This represents others operating business segments which are not separately reportable as per IND AS criterion.
- E) Unallocable - Unallocable comprises of assets, liabilities, revenue and expenses which are not directly related with any of operating segments.
- 3 The above statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 4 During the quarter, the Parent Company has invested Rs.499.50 Crores towards subscribed and paid-up capital in its wholly owned subsidiary viz. ARKA fincap limited (formerly known as Kirloskar Capital Limited)
- 5 Effective 1 April, 2019, the Group adopted Ind AS 116 "Leases", applied to lease contracts existing on 1 April, 2019 using the modified retrospective method along with the transition option to recognise Right-of-Use asset (ROU) at an amount equal to the lease liability. Accordingly, comparatives for the previous quarters and year ended March 31, 2019 have not been retrospectively adjusted. The effect of this adoption is not material on the profit for the quarter.
- 6 The Parent Company was eligible for Industrial Promotion Subsidy (IPS) under the Packaged Scheme of Incentives-2001 from 1 April 2008 to 31 March 2017. The Parent Company had received an extension of the said Scheme of Incentives, for a further period of 2 years i.e. till 31 March 2019. The receivables under the said Scheme for the extended period are fair valued at Rs. 51.52 Crs. and are included in the Revenue from Operations for the quarter and year ended 31 March 2019.
- 7 The Consolidated Financial Results Includes the results of following Subsidiaries:-
- 1- La-Gajjar Machineries Private Limited
- 2- ARKA Fincap Limited (Formerly known as Kirloskar Capital Limited)
- 3- KOEL Americas Corp.
- 8 The figures for the quarter ended 31 March 2019 are balancing figures between audited figures in respect of full financial year ended 31 March 2019 and the year to date figures upto the third quarter ended 31 December 2018. The figures for the previous periods have been regrouped wherever required to make them comparable with those of the current period.
- 9 In the previous year the Company had opted to publish Consolidated Financial Results on an annual basis accordingly the Consolidated Financial Results for the quarters ended 30 June 2018 and 31 Mar 2019 are approved by the Board of Directors of the Company but have not been subjected to review by the Statutory Auditors.
- 10 The above results for the quarter ended 30 June 2019 are reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 9 August 2019 and are subject to a "Limited Review" by the Statutory Auditors.

Registered Office:
Laxmanrao Kirloskar Road,
Khadki, Pune - 411 003

Place : Pune
Date : 9 August 2019

For Kirloskar Oil Engines Limited



Rajendra R. Deshpande
Managing Director & CEO



Independent Auditor's Review Report On consolidated unaudited 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

The Board of Directors
Kirloskar Oil Engines Limited
Laxmanrao Kirloskar road,
Khadki, Pune 411003

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Kirloskar Oil Engines Limited** ("the Parent") and its subsidiaries (the Parent and its subsidiaries together referred to as "the Group"), for the quarter ended 30 June 2019 ("the Statement"), being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended. Attention is drawn to the fact that the consolidated figures for the corresponding quarter ended 30 June 2018 and 31 March 2019 as reported in these financial results have been approved by the Parent's Board of Directors, but have not been subjected to review.
 2. The preparation of the Statement 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 there under and other accounting principles generally accepted in India, read with the Circular is the responsibility of the Company's management and has been approved by the Board of Directors of the Company. Our responsibility is to issue a report on the Statement based on our review.
 3. 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. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.
- We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.
4. The Statement includes the results of the following entities:
 - a. La-Gajjar Machinerics Pvt Ltd
 - b. ARKA Fincap Limited (Formerly known as Kirloskar Capital Limited)
 - c. KOEL Americas Corp.



M/s P. G. BHAGWAT
CHARTERED ACCOUNTANTS

5. Based on our review conducted and procedures performed as stated in paragraph 3 above and based on the consideration of the review reports of the other auditors referred to in paragraph 7 below, nothing has come to our attention that causes us to believe that the accompanying Statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standard and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement
6. We did not review the interim financial information of one subsidiary included in the consolidated unaudited financial results, whose interim financial information reflect total revenues of Rs.8.63 crs, total net profit after tax of Rs.0.54 crs and total comprehensive income of Rs.0.54 crs for the quarter ended 30 June 2019 as considered in the consolidated unaudited financial results. These interim financial information have been reviewed by other auditors whose reports have been furnished to us by the Management and our conclusion on the Statement, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries is based solely on the reports of the other auditors and the procedures performed by us as stated in paragraph 3 above. Our conclusion on the Statement is not modified in respect of the above matters.
7. The consolidated unaudited financial results includes the interim financial information of one subsidiary which have not been reviewed/audited by their auditors, whose interim financial information total revenue of Rs.4.37 crs, total net profit after tax of Rs.0.23 crs total comprehensive income of Rs.0.23 crs for the quarter ended 30 June 2019 as considered in the consolidated unaudited financial results. According to the information and explanations given to us by the Management, these interim financial information are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

For M/s P.G Bhagwat,
Chartered Accountants,
Firm's Registration Number: 101118W



A handwritten signature in blue ink, appearing to be "Nachiket Deo".

Nachiket Deo
Partner

Place: Pune

Date: 09th August 2019

Membership No. 117695

UDIN: 19117695AAAACP2928