



Enriching Lives

KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

Date: 17 May 2019

NSE Scrip Code: **KIRLOSENG**

BSE Scrip Code: **533293**

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

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

Dear Sir/Madam,

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

1. The Standalone Audited Financial Results of the Company for the quarter and year ended 31 March 2019 and the Consolidated Audited Financial Results of the Company, for the year ended 31 March 2019, which were approved by the Board of Directors in its meeting held on 17 May 2019;
2. Auditors Report received from M/s. P. G. Bhagwat, Chartered Accountants, Statutory Auditors of the Company on aforesaid Audited Financial Results - Standalone and Consolidated;
3. A declaration in respect of Audit Report with unmodified opinion;
4. The Board of Directors in its meeting held on 17 May 2019, has recommended the final dividend of Rs. 2.50/- (125%) per equity share of Rs. 2/- each for the financial year 2018-19, subject to the approval of the members at the ensuing Annual General Meeting and shall be paid through National Electronic Clearing System (NECS) or vide our dividend warrants, as the case may be.

The dividend if approved by the shareholders shall be paid on or before **29 August 2019**.

5. The Present term of Mr. M. Lakshminarayan (DIN 00064750) as an Independent Director is upto 11 August 2019. The Board of Directors in its meeting held on 17 May 2019, has re-appointed him as an Independent Director for second term of 3 years with effect from 12 August 2019. His re-appointment is subject to the approval of the members of the Company in the ensuing Annual General Meeting.

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



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A brief profile of Mr. M. Lakshminarayan is as under:

Mr. M. Lakshminarayan, (age 72) holds a Masters degree in Technology from the Indian Institute of Technology, Mumbai. After working in Tata Motors for 16 Years in the Pune plant, he moved to Bosch Ltd (MICO). He has served in various capacities before joining the Board as Joint Managing Director in 2000. He was the Managing Director of Harman International India Private Limited, a 100% subsidiary of Harman International USA from 2009 till 2017. He is deeply connected with the activities of CII and was the past Chairman, CII Southern Region. He is a Director in Kirloskar Oil Engines Limited, Carborundum Universal Limited, Rane (Madras) Limited, apart from being the Chairman of WABCO India.

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. M. Lakshminarayan is not debarred from holding the office of a Director by virtue of any order by SEBI or any other authority.

6. Based on the recommendation of the Nomination and Remuneration Committee, the Board of Directors in its meeting held on 17 May 2019, considered and approved 'KOEL Employee Stock Option Plan 2019' ("KOEL ESOP – 2019") of the Company subject to the approval of Members at the ensuing Annual General Meeting.

KOEL ESOP – 2019 has been formulated in accordance with the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

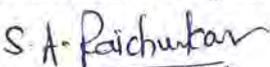
Maximum number of equity shares that may be issued pursuant to exercise of all options under the KOEL ESOP – 2019 shall not exceed 14,00,000 (0.97%) equity shares of Rs. 2/- each.

The meeting of the Board of Directors of the Company commenced at 11.00 a.m. and concluded at 6.10 p.m.

You are requested to take the same on your record.

Thanking you,

Yours faithfully,
For Kirloskar Oil Engines Limited


Smita Raichurkar
Company Secretary



Encl.: As above.

KIRLOSKAR OIL ENGINES LIMITED

STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2019

(₹ in Crores)

Particulars	Standalone					Consolidated	
	Quarter ended			Year ended		Year ended	
	31-03-2019	31-12-2018	31-03-2018	31-03-2019	31-03-2018	31-03-2019	31-03-2018
	Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
1 Income							
a (i) Revenue from operations (Net of excise duty)	848.05	774.31	791.32	3,204.35	2,831.89	3,627.67	3,055.46
a (ii) Excise duty	-	-	-	-	55.33	-	55.33
a) Revenue from operations [a(i) + a(ii)]	848.05	774.31	791.32	3,204.35	2,887.22	3,627.67	3,110.79
b) Other Income	18.10	14.18	13.83	61.53	69.13	65.47	71.80
Total income	866.15	788.49	805.15	3,265.88	2,956.35	3,693.14	3,182.59
2 Expenses							
a) Cost of raw materials and components consumed	348.54	341.34	411.85	1,444.10	1,450.53	1,673.73	1,573.40
b) Purchase of traded goods	155.28	172.97	110.74	618.70	392.96	632.89	403.74
c) Changes in inventories of finished goods, work-in-progress and traded goods	3.96	(1.95)	(11.49)	8.27	(26.78)	22.24	(21.80)
d) Excise duty on sale of goods	-	-	-	-	55.33	-	55.33
e) Employee benefits expense	56.01	53.68	48.85	215.73	206.11	242.91	222.24
f) Finance costs	1.40	1.05	1.03	4.24	3.38	14.52	11.55
g) Depreciation and amortisation expense	17.30	17.35	24.75	72.86	108.58	94.40	123.30
h) Other expenses	146.75	141.94	152.87	566.44	543.76	680.99	612.29
Total expenses (a to h)	729.24	726.38	738.60	2,930.34	2,733.87	3,361.68	2,980.05
3 Profit before exceptional items and tax	136.91	62.11	66.55	335.54	222.48	331.46	202.54
4 Exceptional items - (Expenses) / Income	-	-	-	-	-	-	-
5 Profit before tax (3 + 4)	136.91	62.11	66.55	335.54	222.48	331.46	202.54
6 Tax expense :							
Current tax	44.24	20.79	23.90	110.78	78.01	113.21	78.28
Deferred tax	0.57	(0.68)	(1.67)	(0.22)	(5.64)	(1.37)	(11.96)
Total Tax expense (6)	44.81	20.11	22.23	110.56	72.37	111.84	66.32
7 Net Profit / (Loss) for the period (5 - 6)	92.10	42.00	44.32	224.98	150.11	219.62	136.22
8 Other Comprehensive Income / (Expense)							
Re-measurement gains / (losses) on defined benefit plans and others	(0.74)	0.24	1.40	(0.05)	1.63	0.17	1.42
Income tax effect on above	0.35	(0.13)	(0.25)	0.02	(0.57)	-	(0.49)
Total other comprehensive income for the year, net of tax (8)	(0.39)	0.11	1.15	(0.03)	1.06	0.17	0.93
9 Total comprehensive income for the year, net of tax (7 + 8)	91.71	42.11	45.47	224.95	151.17	219.79	137.15
10 Profit for the period attributable to:							
a) Owners of the Company						219.17	139.72
b) Non-controlling interest						0.45	(3.50)
11 Other comprehensive income for the period attributable to:							
a) Owners of the Company						0.16	0.97
b) Non-controlling interest						0.01	(0.04)
12 Total comprehensive income for the period attributable to:							
a) Owners of the Company						219.33	140.69
b) Non-controlling interest						0.46	(3.54)
13 Paid-up equity share capital (Face value of ₹ 2 each)	28.92	28.92	28.92	28.92	28.92	28.92	28.92
14 Other Equity				1,746.20	1,608.42	1,669.66	1,546.53
15 Basic and diluted EPS (₹) (Face value of ₹ 2 each) [not annualized]	6.37	2.90	3.06	15.56	10.38	15.16	9.66

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Notes:

- 1 The Company operates in single reportable segment namely 'Engines'. However at consolidated level the Company has identified two reportable segments namely 'Engines' and 'Electric Pumps'. The Consolidated Statement of Segment wise Revenue, Results, Assets and Liabilities is as under:

Particulars	Consolidated	
	Year ended	
	31-03-2019	31-03-2018
	Audited	Audited
REVENUE		
Engines	2997.34	2741.72
Electric Pumps	488.99	252.18
others	140.52	112.09
Unallocated	0.82	4.80
REVENUE FROM OPERATIONS	3627.67	3110.79
SEGMENT RESULTS		
Engines	306.04	185.77
Electric Pumps	17.38	(12.06)
others	(21.72)	(13.01)
Unallocated	44.28	53.39
Total	345.98	214.09
Less:		
(i) Finance Cost	14.52	11.55
(ii) Exceptional Item		
Profit Before Tax	331.46	202.54
SEGMENT ASSETS		
Engines	1093.00	1136.07
Electric Pumps	446.24	506.16
others	92.97	52.80
Unallocated assets	972.66	804.87
TOTAL ASSETS	2604.87	2499.90
SEGMENT LIABILITIES		
Engines	548.28	549.04
Electric Pumps	173.77	237.74
others	44.60	21.04
Unallocated Liabilities	139.64	116.63
TOTAL LIABILITIES	906.29	924.45

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2 Statement of assets and liabilities (Balance Sheet)

(₹ in Crores)

Particulars	Standalone		Consolidated	
	As at	As at	As at	As at
	31-03-2019	31-03-2018	31-03-2019	31-03-2018
	Audited	Audited	Audited	Audited
ASSETS				
I. Non-current assets				
(a) Property, plant and equipment	372.23	382.92	399.84	413.64
(b) Capital work-in-progress	17.88	17.96	17.89	17.96
(c) Investment property	-	-	-	-
(d) Goodwill	-	-	184.50	184.50
(e) Other Intangible assets	27.05	39.40	78.95	103.79
(f) Intangible assets under development	23.04	12.22	23.03	12.22
(g) Financial assets				
(i) Investments	282.38	255.38	0.01	0.01
(ii) Trade receivables	-	1.60	-	1.60
(iii) Loans	0.03	0.15	0.33	0.17
(iv) Other financial assets	55.54	44.19	70.87	59.26
(h) Other non-current assets	58.46	39.14	59.96	43.23
Sub-total - Non-current assets	836.61	792.96	835.38	836.38
II. Current assets				
(a) Inventories	242.17	264.59	309.58	344.57
(b) Financial assets				
(i) Investments	711.21	675.24	711.21	675.24
(ii) Trade receivables	355.19	325.99	406.78	401.65
(iii) Cash and cash equivalents	49.71	55.98	61.74	60.53
(iv) Bank balance other than (iii) above	136.40	9.23	136.63	9.79
(v) Loans	0.13	0.29	0.19	0.34
(vi) Other financial assets	41.39	39.14	44.35	41.01
(c) Assets held for sale	2.17	2.08	2.17	2.09
(d) Current tax assets (net)	-	4.67	1.66	4.32
(e) Other current assets	62.50	88.87	95.18	123.98
Sub-total - Current assets	1,600.87	1,466.08	1,769.49	1,663.52
TOTAL - ASSETS	2,437.48	2,259.04	2,604.87	2,499.90
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	28.92	28.92	28.92	28.92
(b) Other equity				
(i) Capital redemption reserve	0.20	0.20	0.20	0.20
(ii) Share Premium	-	-	-	-
(ii) General reserve	608.39	608.39	608.39	608.39
(iii) Retained earnings	1,137.61	999.83	1,060.81	937.84
(iv) Reserves representing unrealised gains/ losses	-	-	0.26	0.10
Sub-total - Equity	1,775.12	1,637.34	1,698.58	1,575.45
LIABILITIES				
I. Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	-	-	16.69	5.47
(ii) Other financial liabilities	17.35	17.31	98.16	88.64
(b) Long-term provisions	31.89	29.79	32.91	30.38
(c) Deferred tax liabilities (net)	6.35	6.59	18.68	21.97
(d) Government grants	-	-	-	-
(e) Other non-current liabilities	8.39	4.93	8.39	4.93
Sub-total - Non-current liabilities	63.98	58.62	174.83	151.39
II. Current liabilities				
(a) Financial liabilities				
(i) Borrowings	13.07	16.50	64.78	134.01
(ii) Trade and other payables				
a) total outstanding dues of micro enterprises and small enterprises	29.72	4.73	56.37	43.32
b) total outstanding dues of creditors other than micro enterprises and small enterprises	352.26	414.84	382.23	445.34
(iii) Other financial liabilities	63.32	62.34	74.76	68.38
(b) Other current liabilities	74.99	11.30	78.40	19.50
(c) Short-term provisions	64.17	52.52	74.07	61.66
(d) Government grants	0.85	0.85	0.85	0.85
Sub-total - Current liabilities	598.38	563.08	731.46	773.06
TOTAL - EQUITY AND LIABILITIES	2,437.48	2,259.04	2,604.87	2,499.90

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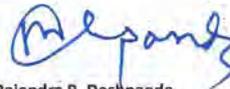


- 3 The above statement has been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under section 133 of the Companies Act, 2013 and other recognised accounting practices and policies to the extent applicable.
- 4 The Company was eligible for Industrial Promotion Subsidy (IPS) under the Packaged Scheme of Incentives-2001 from 1 April 2008 to 31 March 2017. The Company has 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.
- 5 On 1 August 2017 the Company had acquired 76% of equity shares of LGM as per the terms of share purchase agreement. In the previous year purchase price had been allocated to LGM's assets and liabilities on provisional basis in accordance with guidelines prescribed under IND-AS 103 - Business Combinations in the previous year. The Company has completed purchase price allocation within the measurement period and finalised value of Assets acquired, Liabilities assumed and the resulting Goodwill which were hitherto provisional. Adjustments to provisional amount had been recognised as if accounting for Business Combination was completed as of acquisition date, thereby restating consolidated financial statements for 31 March 2018.
- 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, which have been regrouped / rearranged wherever necessary. Further the figures for the previous periods have been regrouped wherever required to make them comparable with those of the current period.
- 7 Revenue from operations includes excise duty collected as per the extant guideline prescribed in Ind AS till 30 June 2017. As per said guideline Goods and Services Tax collected w.e.f. 1 July 2017 is excluded from the same.
- 8 The Board of Directors has recommended a Final Dividend of Rs 2.5 per equity share having face value of Rs 2 each (125%)
- 9 The results for the quarter and year ended 31 March 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 17 May 2019.

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

Place : Pune
Date : 17 May 2019

For Kirloskar Oil Engines Limited



Rajendra R. Deshpande
Managing Director & CEO



Auditor's Report on Standalone Quarterly Financial Results and Year to Date Results of the Company

Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
Board of Directors,
Kirloskar Oil Engines Limited,

We have audited the accompanying statement of standalone financial results of **Kirloskar Oil Engines Limited** for the year ended March 31, 2019, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular CIR/CFD/FAC/62/2016 dated July 5, 2016.

The standalone financial results for the quarter and year ended March 31, 2019 have been prepared on the basis of ; the standalone financial results for the nine-month period ended December 31, 2018 ; the audited annual standalone financial statements as at and for the year ended March 31, 2019 and the relevant requirements of the Regulation and the Circular, which are the responsibility of the Company's management and have been approved by the Board of Directors of the Company.

Our responsibility is to express an opinion on these standalone financial results based on our review of the standalone financial results for the nine-month period ended December 31, 2018 which was prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard (Ind AS) 34 Interim Financial Reporting, specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India ; our audit of the annual standalone financial statements as at and for the year ended March 31, 2019; and the relevant requirements of the Regulation and the Circular.

We conducted our audit in accordance with Standards on Auditing issued by Institute of Chartered Accountant of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.



M/s P. G. BHAGWAT

CHARTERED ACCOUNTANTS

In our opinion and to the best of our information and according to the explanations given to us these quarterly standalone financial results as well as the year to date results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No CIR/CFD/FAC/62/2016 dated July 5, 2016, in this regard; and
- (ii) give a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, other comprehensive income and other financial information for the quarter and year ended March 31, 2019.

The quarterly standalone financial results are the derived figures between the audited figures in respect of the year ended March 31, 2019 and the published year-to-date figures up to December 31, 2018, being the date of the end of the third quarter of the current financial year, which were subjected to limited review as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No CIR/CFD/FAC/62/2016 dated July 5, 2016.

FOR M/S P. G. BHAGWAT

Chartered Accountants

Firm Registration Number. 101118W



Nachiket Deo

Partner

Membership No. 117695

Pune

Date: 17th May, 2019



Auditor's Report on Consolidated Financial Results of the Company

Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To,
Board of Directors,
Kirloskar Oil Engines Limited,

We have audited the accompanying statement of consolidated financial results of **Kirloskar Oil Engines Limited** (hereinafter referred to as "the Holding Company"), **KOEL Americas Corporation** ("the subsidiary"), **La-Gajjar Machineries Private Limited** ("the subsidiary") and **Kirloskar Capital Limited** ("the subsidiary"), (the Holding Company and its subsidiary together referred to as "the Group") for the year ended March 31, 2019, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular CIR/CFD/FAC/62/2016 dated July 5, 2016.

This statement which is the responsibility of Holding company's management and approved by the board of directors has been compiled from the related consolidated financial statements which has been prepared in accordance with Indian Accounting Standard ("IND AS") prescribed under Section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement based on our audit of such consolidated financial statements.

We conducted our audit in accordance with Standards on Auditing issued by Institute of Chartered Accountant of India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of **Kirloskar Capital Limited** whose financial statements reflect total assets of Rs. 20.34 Crores as at 31st March 2019 ; as well as the total revenue of Rs. NIL as at 31st March 2019. These financial statements and other financial information have been audited by other auditors whose report has been furnished to us, and our opinion on the year to date results, to the extent they have been derived from such financial statements is based solely on the report of such other auditors.



M/s P. G. BHAGWAT
CHARTERED ACCOUNTANTS

Also, we did not audit the financial statements of overseas subsidiary i.e. **KOEL Americas Corporation** whose financial statements reflect total assets of Rs. 8.92 Crores as at 31st March, 2019, total revenues of Rs.15.02 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and explanations given to us by the Management, these financial statements are not material to the Group.

In our opinion and to the best of our information and according to the explanations given to us the year to date consolidated financial results

- (i) include the financial result of KOEL Americas Corporation , La-Gajjar Machineries Private Limited & Kirloskar Capital Limited.
- (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No CIR/CFD/FAC/62/2016 dated July 5, 2016, in this regard; and
- (iii) give a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated net profit, other comprehensive income and other financial information for the year ended March 31, 2019.

FOR M/S P. G. BHAGWAT
Chartered Accountants
Firm Registration No. 101118W



Nachiket Deo
Partner
Membership No. 117695
Pune
Date: 17th May, 2019





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KIRLOSKAR OIL ENGINES LIMITED
A Kirloskar Group Company

Date: 17 May 2019

NSE Scrip Code: **KIRLOSENG**

BSE Scrip Code: **533293**

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

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

Dear Sir/Madam,

Subject: Declaration in respect of Audit Report with unmodified opinion

Pursuant to the provisions of the Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended, we hereby state that the Statutory Auditors of the Company M/s. P. G. Bhagwat, Chartered Accountants (Firm Registration no. 101118W), have issued an Audit Report with unmodified opinion, on the Standalone Audited financial results of the Company, for the quarter and year ended 31 March 2019 and Consolidated Audited financial results of the Company, for the year ended 31 March 2019.

You are requested to take the same on your record.

Thanking you,

Yours faithfully,
For Kirloskar Oil Engines Limited


T. Vinodkumar
Chief Financial Officer

