



Enriching Lives

KIRLOSKAR OIL ENGINES LIMITED
A Kirloskar Group Company

Date: 30th July 2020

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,

This is to inform you that:

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

1. The Standalone and Consolidated Un-audited Financial Results of the Company for the quarter ended 30th June 2020, which were approved by the Board of Directors in its meeting held on 30th July 2020;
2. A copy of Limited Review Report of the Company, dated 30th July 2020, received from M/S. P. G. Bhagwat, Chartered Accountants, Statutory Auditors of the Company;

The meeting of the Board of Directors of the Company commenced at 11:55 am and concluded at 1:14 pm.

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

CIN : L29120PN2009PLC133351

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

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 30TH JUNE 2020

(₹ in Crores)

| Particulars | Quarter ended | | | Year ended |
|---|----------------|---------------|---------------|-----------------|
| | 30-06-2020 | 31-03-2020 | 30-06-2019 | 31-03-2020 |
| | Unaudited | Audited | Unaudited | Audited |
| 1 Income | | | | |
| a) Revenue from operations | 320.44 | 710.62 | 763.65 | 2,877.48 |
| b) Other Income | 4.82 | 11.10 | 12.02 | 40.21 |
| Total income | 325.26 | 721.72 | 775.67 | 2,917.69 |
| 2 Expenses | | | | |
| a) Cost of raw materials and components consumed | 111.80 | 343.13 | 335.23 | 1,302.98 |
| b) Purchase of traded goods | 52.74 | 123.90 | 180.68 | 598.75 |
| c) Changes in inventories of finished goods, work-in-progress and traded goods | 39.86 | (20.79) | (6.77) | (27.76) |
| d) Employee benefits expense | 44.64 | 50.04 | 53.51 | 217.81 |
| e) Finance costs | 0.52 | 1.33 | 0.68 | 3.82 |
| f) Depreciation and amortisation expense | 14.75 | 16.25 | 17.18 | 66.63 |
| g) Other expenses | 75.92 | 146.98 | 128.39 | 546.73 |
| Total expenses (a to g) | 340.23 | 660.84 | 708.90 | 2,708.96 |
| 3 Profit/(Loss) before exceptional items and tax | (14.97) | 60.88 | 66.77 | 208.73 |
| 4 Exceptional Items - (Expenses) / Income | - | - | - | 16.49 |
| 5 Profit/(Loss) before tax (3 + 4) | (14.97) | 60.88 | 66.77 | 225.22 |
| 6 Tax expense : | | | | |
| Current tax | - | 12.98 | 22.29 | 55.38 |
| Deferred tax | (4.17) | 1.30 | 0.37 | (0.54) |
| Total Tax expense (6) | (4.17) | 14.28 | 22.66 | 54.84 |
| 7 Net Profit / (Loss) for the period (5 - 6) | (10.80) | 46.60 | 44.11 | 170.38 |
| 8 Other Comprehensive Income / (Expense) | | | | |
| Re-measurement gains / (losses) on defined benefit plans and others | 0.13 | (0.74) | (0.10) | (2.59) |
| Income tax effect on above | (0.03) | 0.23 | 0.03 | 0.65 |
| Total other comprehensive income for the year, net of tax (8) | 0.10 | (0.51) | (0.07) | (1.94) |
| 9 Total comprehensive income for the year, net of tax (7 + 8) | (10.70) | 46.09 | 44.04 | 168.44 |
| 10 Paid-up equity share capital (Face value of ₹ 2 each) | 28.92 | 28.92 | 28.92 | 28.92 |
| 11 Other Equity | | | | 1,801.32 |
| 12 Basic and diluted EPS (₹) (Face value of ₹ 2 each) [not annualized] | (0.75) | 3.22 | 3.05 | 11.78 |



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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 Exceptional item consisted of profit on sale of property situated at MIDC Industrial Estate, Nagapur, Ahmednagar, Maharashtra.
- 4 Operations and financial results of the company for the quarter ended 30.06.2020 have been adversely impacted due to frequent lockdown imposed by the Central and/or State Governments in various parts of country to contain the spread of COVID-19. Since the operations have gradually but partially resumed during the quarter with limited availability of workforce and other resources, the results for the quarter are not comparable with those for the previous quarters.
The Company has taken into account the possible impacts of COVID-19 in preparation of the financial results for the quarter ended 30 June 2020, including but not limited to its assessment of liquidity, recoverable values of its financial and non-financial assets and impact on revenues.
The Company has considered internal and certain external sources of information including reliable credit reports, economic forecasts and industry reports up to the date of approval of the financial results for the quarter and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial results may differ from that estimated as at the date of approval of the financial results of the Company.
- 5 The figures for the quarter ended 31 March 2020 are balancing figures between audited figures in respect of full financial year ended 31 March 2020 and the published year to date figures upto the third quarter ended 31 December 2019, 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.
- 6 The above results for the quarter ended 30 June 2020 are reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 30 July 2020 and are subjected to a "Limited Review" by the Statutory Auditors.

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

Place : Pune
Date : 30 July 2020

For Kirloskar Oil Engines Limited



SANJEEV NIMKAR
Managing Director
DIN : 07869394



Independent Auditor's Review Report on Quarterly Unaudited Standalone financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

Review Report to
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 (the "Company") for the quarter ended June 30, 2020 (the "Statement") being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

This Statement, which is the responsibility of the Company's Management and approved by the Company's Board of Directors, has been prepared 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. Our responsibility is to express a conclusion 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 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



M/s P. G. BHAGWAT

CHARTERED ACCOUNTANTS

Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.

Emphasis of Matter

We draw your attention to Note No. 4 to the financial results, which states impact due to COVID-19 pandemic on the operations of the Company.

Our opinion is not modified in respect of this matter.

For M/s P. G. Bhagwat
Chartered Accountants
ICAI Firm Registration Number- 101118W



Nachiket Deo
Partner
Membership Number: 117695
UDIN: 20117695AAAACF4S32



Pune
Date: July 30, 2020

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 2020

(` In Crores)

| Particulars | Consolidated | | | |
|---|---------------|---------------|---------------|-----------------|
| | Quarter ended | | Year ended | |
| | 30-06-2020 | 31-03-2020 | 30-06-2019 | 31-03-2020 |
| | Unaudited | Audited | Unaudited | Audited |
| 1 Income | | | | |
| a) Revenue from operations | 422.33 | 826.80 | 901.03 | 3,379.45 |
| b) Other Income | 5.11 | 10.65 | 12.64 | 42.51 |
| Total Income | 427.44 | 837.45 | 913.67 | 3,421.96 |
| 2 Expenses | | | | |
| a) Cost of raw materials and components consumed | 136.98 | 414.43 | 409.99 | 1,576.92 |
| b) Purchase of traded goods | 59.91 | 130.32 | 187.01 | 625.51 |
| c) Changes in inventories of finished goods, work-in-progress and traded goods | 64.09 | (43.37) | (7.78) | (60.25) |
| d) Employee benefits expense | 57.26 | 64.87 | 64.16 | 270.37 |
| e) Finance costs | 5.17 | 5.16 | 2.94 | 14.21 |
| f) Depreciation and amortisation expense | 19.91 | 21.80 | 22.13 | 87.34 |
| g) Other expenses | 93.36 | 180.91 | 163.35 | 679.61 |
| Total expenses (a to g) | 436.68 | 774.12 | 841.80 | 3,193.71 |
| 3 Profit/(loss) before exceptional items and tax | (9.24) | 63.33 | 71.87 | 228.25 |
| 4 Exceptional Items - (Expenses) / Income | | | | 16.49 |
| 5 Profit/(loss) before tax (3 + 4) | (9.24) | 63.33 | 71.87 | 244.74 |
| 6 Tax expense : | | | | |
| Current tax | 2.94 | 13.94 | 25.48 | 64.60 |
| Deferred tax | (5.45) | (4.11) | (0.74) | (7.75) |
| Total Tax expense (6) | (2.51) | 9.83 | 24.74 | 56.85 |
| 7 Net Profit / (Loss) for the period (5 - 6) | (6.73) | 53.50 | 47.13 | 187.89 |
| 8 Other Comprehensive Income / (Expense) | | | | |
| Re-measurement gains / (losses) on defined benefit plans and others | 0.08 | (1.29) | (0.09) | (2.87) |
| Income tax effect on above | (0.02) | 0.33 | 0.02 | 0.73 |
| Total other comprehensive income for the year, net of tax (8) | 0.06 | (0.96) | (0.07) | (2.14) |
| 9 Total comprehensive income for the year, net of tax (7 + 8) | (6.67) | 52.54 | 47.06 | 185.75 |
| 10 Profit for the period attributable to: | | | | |
| a) Owners of the Company | (6.87) | 52.69 | 46.54 | 185.18 |
| b) Non-controlling interest | 0.14 | 0.81 | 0.59 | 2.71 |
| 11 Other comprehensive income for the period attributable to: | | | | |
| a) Owners of the Company | 0.07 | (0.90) | (0.07) | (2.09) |
| b) Non-controlling interest | (0.01) | (0.06) | 0.00 | (0.05) |
| 12 Total comprehensive income for the period attributable to: | | | | |
| a) Owners of the Company | (6.80) | 51.79 | 46.47 | 183.09 |
| b) Non-controlling interest | 0.13 | 0.75 | 0.59 | 2.66 |
| 13 Paid-up equity share capital (Face value of ` 2 each) | 28.92 | 28.92 | 28.92 | 28.92 |
| 14 Other Equity | | | | 1,716.24 |
| 15 Basic and diluted EPS (`) (Face value of ` 2 each) [not annualized] | (0.48) | 3.64 | 3.22 | 12.81 |

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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:

(₹ in Crores)

| Particulars | Consolidated | | | |
|--------------------------------|----------------|----------------|----------------|----------------|
| | Quarter ended | | | Year ended |
| | 30-06-2020 | 31-03-2020 | 30-06-2019 | 31-03-2020 |
| | Unaudited | Audited | Unaudited | Audited |
| SEGMENT REVENUE | | | | |
| Engines | 267.47 | 662.13 | 689.18 | 2655.43 |
| Electric Pumps | 103.60 | 118.38 | 159.08 | 541.16 |
| Financial Services | 16.57 | 16.24 | 8.63 | 48.20 |
| Others | 34.09 | 29.51 | 43.81 | 132.86 |
| Unallocated | 0.60 | 0.54 | 0.33 | 1.80 |
| REVENUE FROM OPERATIONS | 422.33 | 825.80 | 901.03 | 3379.45 |
| SEGMENT RESULTS | | | | |
| Engines | (14.60) | 61.50 | 64.67 | 206.08 |
| Electric Pumps | 2.25 | 0.30 | 7.74 | 20.69 |
| Financial Services | 7.79 | 5.86 | 1.53 | 12.83 |
| Others | (0.77) | (3.26) | (3.65) | (14.88) |
| Unallocated | 1.26 | 4.09 | 4.52 | 17.74 |
| Total | (4.07) | 68.49 | 74.81 | 242.46 |
| Less: | | | | |
| (i) Finance Cost | 5.17 | 5.16 | 2.94 | 14.21 |
| (ii) Exceptional Item | 0.00 | 0.00 | 0.00 | (16.49) |
| Profit Before Tax | (9.24) | 63.33 | 71.87 | 244.74 |
| SEGMENT ASSETS | | | | |
| Engines | 1050.71 | 1175.74 | 1125.47 | 1175.74 |
| Electric Pumps | 446.81 | 486.46 | 459.39 | 486.46 |
| Financial Services | 801.91 | 617.47 | 602.93 | 617.47 |
| Others | 64.02 | 66.69 | 67.02 | 66.69 |
| Unallocated assets | 419.46 | 415.53 | 527.45 | 415.53 |
| TOTAL ASSETS | 2782.91 | 2761.89 | 2782.26 | 2761.89 |
| SEGMENT LIABILITIES | | | | |
| Engines | 371.54 | 496.90 | 595.09 | 496.90 |
| Electric Pumps | 167.63 | 202.40 | 184.23 | 202.40 |
| Financial Services | 268.17 | 88.18 | 82.76 | 88.18 |
| Others | 79.83 | 69.05 | 35.93 | 69.05 |
| Unallocated Liabilities | 159.84 | 160.20 | 140.44 | 160.20 |
| TOTAL LIABILITIES | 1047.01 | 1016.73 | 1038.45 | 1016.73 |

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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 NBFC 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. Exceptional Item consisted of profit on sale of property situated at MIDC Industrial Estate, Nagapur, Ahmednagar, Maharashtra.
5. Operations and financial results of the group for the quarter ended 30.06.2020 have been adversely impacted due to frequent lockdown imposed by the Central and/or State Governments in various parts of country to contain the spread of COVID-19. Since the operations have gradually but partially resumed during the quarter with limited availability of workforce and other resources, the results for the quarter are not comparable with those for the previous quarters.
The Group has taken into account the possible impacts of COVID-19 in preparation of the financial results for the quarter ended 30 June 2020, including but not limited to its assessment of liquidity, recoverable values of its financial and non-financial assets and impact on revenues.
The Group has considered internal and certain external sources of information including reliable credit reports, economic forecasts and industry reports up to the date of approval of the financial results for the quarter and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial results may differ from that estimated as at the date of approval of the financial results of the Group.
6. The Consolidated Financials 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.
7. The figures for the quarter ended 31 March 2020 are balancing figures between audited figures in respect of full financial year ended 31 March 2020 and the published year to date figures upto the third quarter ended 31 December 2019, 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.
8. The above results for the quarter ended 30 June 2020 are reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Parent Company in their respective meetings held on 30 July 2020 and are subjected to a "Limited Review" by the Statutory Auditors.

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

Place : Pune
Date : 30 July 2020

For Kirloskar Oil Engines Limited



SANJEEV NIMKAR
Managing Director
DIN:07869394



Independent Auditor's Review Report on Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

1. We have reviewed the accompanying Statement of Unaudited Consolidated 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 June 30, 2020 (the "Statement") attached herewith, being submitted by the Parent pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), 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. Our responsibility is to express a conclusion 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.



M/s P. G. BHAGWAT

CHARTERED ACCOUNTANTS

We also performed procedures in accordance with the Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 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 subsidiaries :
 - a. La-Gajjar Machineries Pvt Ltd
 - b. ARKA Fincap Limited (Formerly known as Kirloskar Capital Limited)
 - c. KOEL Americas Corp.
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 Standards ('Ind AS') specified under section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder 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. Emphasis of Matter

We draw your attention to Note No. 5 to the financial results, which states impact due to COVID-19 pandemic on the operations of the Group.

Our opinion is not modified in respect of this matter.

7. 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. 16.64 Crs, total net profit after tax of Rs. 3.56 Crs and total comprehensive income of Rs. 3.56 Crs for the quarter ended June 30, 2020 as considered in the consolidated unaudited financial results. These interim financial information have been reviewed by other auditor whose report 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 this subsidiary is based solely on the report of the other auditor 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 matter.



M/s P. G. BHAGWAT

CHARTERED ACCOUNTANTS

8. The consolidated unaudited financial results includes the interim financial information of one subsidiary which have not been reviewed/audited by their auditors and have been furnished to us by the management, whose interim financial information reflect total revenue of Rs. 2.03 Crs, total net profit after tax of Rs. 0.07 Crs, total comprehensive income of Rs. 0.07 Crs for the quarter ended June 30, 2020 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
ICAI Firm Registration Number- 101118W



Nachiket Deo
Partner

Membership Number: 117695
UDIN: 20117695AAAAC4938



Pune
Date: July 30, 2020