



Enriching Lives

KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

Date: 31 January 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:

1. Pursuant to Regulations 30 and 33 of the SEBI (Listing Obligations and Disclosure Requirements) 2015:
 - a) The Board of Directors in its meeting held on 31 January 2020, has approved the Standalone and Consolidated Un-audited Financial Results of the Company for the quarter and nine months ended 31 December 2019. A copy of the same is enclosed herewith.
 - b) A copy of Limited Review Report of the Company, dated 31 January 2020, received from M/S. P. G. Bhagwat, Chartered Accountants, Statutory Auditors of the Company is also enclosed herewith.
2. The Board of Directors at its meeting held today considered and discussed the matter regarding Interim Dividend. After discussions, it was decided to defer the matter.
3. Further to our letter dated, 10 May 2017, the present term of Mr. T. Vinodkumar as Chief Financial Officer and Key Managerial Personnel is being extended with effect from 1 February 2020, till the appointment of new Chief Financial Officer and Key Managerial Personnel in his place, by the Board of Directors of the Company.

The meeting of the Board of Directors of the Company commenced at 11.15 a.m. and concluded at 1.45 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

CIN : L29120PN2009PLC133351

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

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2019

(₹ in Crores)

Particulars	Quarter ended			Nine Months ended		Year ended
	31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Income						
a) Revenue from operations	722.10	683.27	774.31	2,170.47	2,356.31	3,204.35
b) Other Income	6.18	9.77	14.18	27.29	43.42	61.53
Total Income	728.28	693.04	788.49	2,197.76	2,399.73	3,265.88
2 Expenses						
a) Cost of raw materials and components consumed	323.35	301.27	341.34	959.85	1,095.57	1,444.10
b) Purchase of traded goods	140.67	153.50	172.97	474.85	463.41	618.70
c) Changes in inventories of finished goods, work-in-progress and traded goods	9.00	(9.20)	(1.95)	(6.97)	4.31	8.27
d) Employee benefits expense	56.95	57.32	53.68	167.78	159.74	215.73
e) Finance costs	0.95	1.28	1.05	3.01	2.84	4.24
f) Depreciation and amortisation expense	16.84	16.36	17.35	50.38	55.54	72.86
g) Other expenses	135.14	136.81	141.94	401.01	419.70	566.44
Total expenses (a to g)	682.90	657.34	726.38	2,049.91	2,201.11	2,930.34
3 Profit before exceptional items and tax	45.38	35.70	62.11	147.85	198.62	335.54
4 Exceptional items - (Expenses) / Income	-	16.49	-	16.49	-	-
5 Profit before tax (3 + 4)	45.38	52.19	62.11	164.34	198.62	335.54
6 Tax expense :						
Current tax	4.74	15.37	20.79	42.40	66.53	110.78
Deferred tax	(2.05)	(0.16)	(0.68)	(1.84)	(0.78)	(0.22)
Total Tax expense (6)	2.69	15.21	20.11	40.56	65.75	110.56
7 Net Profit / (Loss) for the period (5 - 6)	42.69	36.98	42.00	123.78	132.87	224.98
8 Other Comprehensive Income / (Expense)						
Re-measurement gains / (losses) on defined benefit plans and others	(0.63)	(1.12)	0.24	(1.85)	0.71	(0.05)
Income tax effect on above	0.04	0.35	(0.13)	0.42	(0.34)	0.02
Total other comprehensive income for the year, net of tax (8)	(0.59)	(0.77)	0.11	(1.43)	0.37	(0.03)
9 Total comprehensive income for the year, net of tax (7 + 8)	42.10	36.21	42.11	122.35	133.24	224.95
10 Paid-up equity share capital (Face value of ₹ 2 each)	28.92	28.92	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]	2.95	2.56	2.90	8.56	9.19	15.56

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- 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 The company opted to exercise the option under section 115BAA of the Income Tax Act, 1961 as introduced by the taxation Laws (Amendment) Ordinance, 2019. Accordingly, the company has recognised provision for income tax for nine months ended December 2019 and remeasured its deferred tax basis in accordance with the prescribed rate. The full impact of this change has been recognised in the quarter ended 31 December 2019.
- 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 & nine months ended 31 December 2019.
- 5 The above results for nine months ended 31 December 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 31 January 2020 and are subjected to a "Limited Review" by the Statutory Auditors.
- 6 The figures for the previous periods have been regrouped wherever required to make them comparable with those of the current period.

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

Place : Pune
Date : 31 January 2020

For Kirloskar Oil Engines Limited



Rajendra R. Deshpande
Managing Director & CEO



Independent Auditor's Review Report on standalone 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, as amended

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 December 31, 2019 and year to date from April 1, 2019 to December 31, 2019 (the "Statement") 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 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

Place: Pune
Date: January 31, 2020

Membership No. 117695
UDIN: 20117695AAAAH7240

KIRLOSKAR OIL ENGINES LIMITED
CIN : L29120PN2009PLC133351

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

STATEMENT OF CONSOLIDATED UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED 31ST DECEMBER 2019

(₹ in Crores)

Particulars	Consolidated					
	Quarter ended			Nine Months ended		Year ended
	31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
Unaudited	Unaudited	Note No-7	Unaudited	Note No-7	Audited	
1 Income						
a) Revenue from operations	835.60	818.17	868.71	2,556.25	2,662.79	3,627.67
b) Other Income	7.20	10.88	14.19	30.04	46.79	65.47
Total income	842.80	829.05	882.90	2,586.29	2,709.58	3,693.14
2 Expenses						
a) Cost of raw materials and components consumed	373.38	379.12	398.50	1,162.49	1,268.39	1,673.73
b) Purchase of traded goods	147.04	161.14	174.64	495.19	470.69	632.89
c) Changes in inventories of finished goods, work-in-progress and traded goods	11.41	(20.51)	(2.88)	(16.88)	16.36	22.24
d) Employee benefits expense	70.56	70.78	60.33	205.50	178.57	242.91
e) Finance costs	3.31	3.32	3.18	9.73	11.01	14.52
f) Depreciation and amortisation expense	22.09	21.32	22.56	65.54	71.16	94.40
g) Other expenses	163.85	171.99	166.10	499.80	497.48	680.99
Total expenses (a to g)	791.64	787.16	822.43	2,421.37	2,513.66	3,361.68
3 Profit before exceptional items and tax	51.16	41.89	60.47	164.92	195.92	331.46
4 Exceptional items - (Expenses) / Income	-	16.49	-	16.49	-	-
5 Profit before tax (3 + 4)	51.16	58.38	60.47	181.41	195.92	331.46
6 Tax expense :						
Current tax	6.61	18.57	20.72	50.66	66.53	113.21
Deferred tax	(1.81)	(1.09)	(0.81)	(3.64)	0.54	(1.37)
Total Tax expense (6)	4.80	17.48	19.91	47.02	67.07	111.84
7 Net Profit / (Loss) for the period (5 - 6)	46.36	40.90	40.56	134.39	128.85	219.62
8 Other Comprehensive Income / (Expense)						
Re-measurement gains / (losses) on defined benefit plans and others	(0.45)	(1.04)	0.14	(1.58)	0.75	0.17
Income tax effect on above	0.04	0.34	(0.12)	0.40	(0.30)	0.00
Total other comprehensive income for the year, net of tax (8)	(0.41)	(0.70)	0.02	(1.18)	0.45	0.17
9 Total comprehensive income for the year, net of tax (7 + 8)	45.95	40.20	40.58	133.21	129.30	219.79
10 Profit for the period attributable to:						
a) Owners of the Company	45.96	39.99	40.50	132.49	128.73	219.17
b) Non-controlling interest	0.40	0.91	0.06	1.90	0.12	0.45
11 Other comprehensive income for the period attributable to:						
a) Owners of the Company	(0.41)	(0.71)	0.03	(1.19)	0.47	0.16
b) Non-controlling interest	0.00	0.01	(0.01)	0.01	(0.02)	0.01
12 Total comprehensive income for the period attributable to:						
a) Owners of the Company	45.55	39.28	40.53	131.30	129.20	219.33
b) Non-controlling interest	0.40	0.92	0.05	1.91	0.10	0.46
13 Paid-up equity share capital (Face value of ₹ 2 each)	28.92	28.92	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]	3.18	2.77	2.80	9.16	8.90	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:

(₹ in Crores)

Particulars	Consolidated					
	Quarter ended			Nine Months ended		Year ended
	31-12-2019	30-09-2019	31-12-2018	31-12-2019	31-12-2018	31-03-2019
	Unaudited	Unaudited	Note No-7	Unaudited	Note No-7	Audited
SEGMENT REVENUE						
Engines	674.63	630.50	736.43	1995.14	2203.90	2997.34
Electric Pumps	120.71	143.06	96.63	422.85	355.40	488.99
Financial Services	12.95	10.38	0.00	31.96	0.00	0.00
Others	26.88	33.73	35.45	105.04	103.18	140.52
Unallocated	0.43	0.50	0.20	1.26	0.31	0.82
REVENUE FROM OPERATIONS	835.60	818.17	868.71	2556.25	2662.79	3627.67
SEGMENT RESULTS						
Engines	48.73	31.58	52.64	145.08	174.18	306.04
Electric Pumps	5.48	7.27	1.36	20.55	11.74	17.38
Financial Services	4.06	1.38	(0.96)	6.97	(4.06)	(9.90)
Others	(3.12)	(4.83)	(2.81)	(11.60)	(8.56)	(11.82)
Unallocated	(0.68)	9.81	13.42	13.65	33.63	44.28
Total	54.47	45.21	63.65	174.65	206.93	345.98
Less:						
(i) Finance Cost	3.31	3.32	3.18	9.73	11.01	14.52
(ii) Exceptional Item	0.00	(16.49)	0.00	(16.49)	0.00	0.00
Profit Before Tax	51.16	58.38	60.47	181.41	195.92	331.46
SEGMENT ASSETS						
Engines	1115.34	1103.78	1096.08	1115.34	1096.08	1093.00
Electric Pumps	442.84	474.14	435.28	442.84	435.28	446.24
Financial Services	557.01	530.48	8.15	557.01	8.15	17.94
Others	69.14	76.47	75.51	69.14	75.51	75.03
Unallocated assets	477.04	414.64	902.33	477.04	902.33	972.66
TOTAL ASSETS	2661.37	2599.51	2517.35	2661.37	2517.35	2604.87
SEGMENT LIABILITIES						
Engines	532.26	494.79	548.74	532.26	548.74	546.72
Electric Pumps	162.20	191.41	169.35	162.20	169.35	173.77
Financial Services	31.51	8.58	(0.23)	31.51	(0.23)	-
Others	24.25	30.40	23.53	24.25	23.53	46.16
Unallocated Liabilities	127.43	135.22	121.81	127.43	121.81	139.64
TOTAL LIABILITIES	877.65	860.40	863.20	877.65	863.20	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 The Parent company and one of its subsidiary (ARKA Fincap Limited) opted to exercise the option under section 115BAA of the Income Tax Act, 1961 as introduced by the taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Parent company and one of its subsidiary (ARKA Fincap Limited) have recognised provision for income tax for nine months ended December 2019 and remeasured its deferred tax basis in accordance with the prescribed rate. The full impact of this change has been recognised in the quarter ended 31 December 2019.
- 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 & nine months ended 31 December 2019.
- 6 The Consolidated Financials Results includes the results of following Subsidiaries:-
- 1- La-Gajjar Machineris Private Limited
- 2- ARKA Fincap Limited (Formerly known as Kirloskar Capital Limited)
- 3- KOEL Americas Corp.
- 7 In the previous year the Company had opted to publish Consolidated Financial Results on an annual basis accordingly the Consolidated Financial Results for the quarter and nine months ended 31 December 2018 are approved by the Board of Directors of the Company but have not been subjected to review by the Statutory Auditors.
- 8 The figures for the previous periods have been regrouped wherever required to make them comparable with those of the current period.
- 9 The above results for the quarter and nine months ended 31 December 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 31 January 2020 and are subjected to a "Limited Review" by the Statutory Auditors.

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

Place : Pune
Date : 31 January 2020

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, as amended

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 December 31, 2019 and year to date from April 1, 2019 to December 31, 2019 (the "Statement") attached herewith, 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 December 31, 2018 and the corresponding period from April 1, 2018 to December 31, 2018, 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 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.



M/s P. G. BHAGWAT

CHARTERED ACCOUNTANTS

4. The Statement includes the results of the following subsidiaries :
 - a. La-Gajjar Machinerics 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 6 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. 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. 32.13 crs and Rs.13.01 crs, total net profit after tax of Rs. 2.88 crs and Rs.1.99 crs and total comprehensive income of Rs. 2.88 crs and Rs.1.99 crs for the period from April 1, 2019 to December 31, 2019 and for the quarter ended December 31, 2019 respectively 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.

7. 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. 14.45crs and Rs.5.58 crs, total net profit/(loss) after tax of Rs. 0.43 crs and Rs 0.22 crs, total comprehensive income of Rs. 0.64 and Rs. 0.36 crs for the period from April 1, 2019 to December 31, 2019 and for the quarter ended December 31, 2019 respectively 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 black ink.

Nachiket Deo
Partner

Membership No. 117695

UDIN: 20117695AAAAA17815

Place: Pune

Date: January 31, 2020