



Enriching Lives

KIRLOSKAR OIL ENGINES LIMITED
A Kirloskar Group Company

Date: 19th June 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 Audited Financial Results of the Company for the quarter and year ended 31st March 2020 and the Consolidated Audited Financial Results of the Company for the quarter and year ended 31st March 2020, which were approved by the Board of Directors in its meeting held on 19th June 2020;
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. During the year, the Board at its meeting held on 6th March 2020 had declared an Interim Dividend of Rs. 4.00/- (200%) per equity share of Rs. 2/- each for the year ended 31st March 2020, which was paid to all the eligible shareholders on 27th March 2020. The directors recommend for consideration of the members of the Company at the ensuing Annual General Meeting, the referred Interim Dividend as Final Dividend for the Financial Year ended 31st March 2020.

The meeting of the Board of Directors of the Company commenced at 1:30 pm and concluded at 4:16 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 AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2020

(₹ in Crores)

Particulars	Quarter ended			Year ended	
	31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
	Audited	Unaudited	Audited	Audited	Audited
1 Income					
a) Revenue from operations	710.62	721.31	848.25	2,877.48	3,202.74
b) Other Income	11.10	6.85	18.03	40.21	60.58
Total income	721.72	728.16	866.28	2,917.69	3,263.32
2 Expenses					
a) Cost of raw materials and components consumed	343.13	323.35	348.54	1,302.98	1,444.10
b) Purchase of traded goods	123.90	140.67	155.28	598.75	618.70
c) Changes in inventories of finished goods, work-in-progress and traded goods	(20.79)	9.00	3.96	(27.76)	8.27
d) Employee benefits expense	50.04	56.95	56.01	217.81	215.73
e) Finance costs	1.33	0.85	1.31	3.82	3.59
f) Depreciation and amortisation expense	16.25	16.84	17.30	66.63	72.86
g) Other expenses	146.98	135.12	146.97	546.73	564.53
Total expenses (a to g)	660.84	682.78	729.37	2,708.96	2,927.78
3 Profit before exceptional items and tax	60.88	45.38	136.91	208.73	335.54
4 Exceptional items - (Expenses) / Income	-	-	-	16.49	-
5 Profit before tax (3 + 4)	60.88	45.38	136.91	225.22	335.54
6 Tax expense :					
Current tax	12.98	4.74	44.24	55.38	110.78
Deferred tax	1.30	(2.05)	0.57	(0.54)	(0.22)
Total Tax expense (6)	14.28	2.69	44.81	54.84	110.56
7 Net Profit / (Loss) for the period (5 - 6)	46.60	42.69	92.10	170.38	224.98
8 Other Comprehensive Income / (Expense)					
Re-measurement gains / (losses) on defined benefit plans and others	(0.74)	(0.63)	(0.74)	(2.59)	(0.05)
Income tax effect on above	0.23	0.04	0.35	0.65	0.02
Total other comprehensive income for the year, net of tax (8)	(0.51)	(0.59)	(0.39)	(1.94)	(0.03)
9 Total comprehensive income for the year, net of tax (7 + 8)	46.09	42.10	91.71	168.44	224.95
10 Paid-up equity share capital (Face value of ₹ 2 each)	28.92	28.92	28.92	28.92	28.92
11 Other Equity				1,801.32	1,746.20
12 Basic and diluted EPS (₹) (Face value of ₹ 2 each) [not annualized]	3.22	2.95	6.37	11.78	15.56

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1 Statement of assets and liabilities (Balance Sheet)

(₹ in Crores)

Particulars	Standalone	
	As at	As at
	31-03-2020	31-03-2019
	Audited	Audited
ASSETS		
I. Non-current assets		
(a) Property, plant and equipment	329.82	372.23
(b) Capital work-in-progress	30.30	17.88
(c) Right-of-use assets	11.45	-
(d) Other Intangible assets	21.00	27.05
(e) Intangible assets under development	44.10	23.04
(f) Financial assets		
(i) Investments	782.37	282.38
(ii) Loans	0.05	0.03
(iii) Other financial assets	35.94	55.59
(g) Other non-current assets	69.12	58.46
Sub-total - Non-current assets	1,324.15	836.66
II. Current assets		
(a) Inventories	300.33	242.17
(b) Financial assets		
(i) Investments	319.04	711.21
(ii) Trade receivables	362.83	355.19
(iii) Cash and cash equivalents	2.89	49.71
(iv) Bank balance other than (iii) above	14.24	136.40
(v) Loans	0.03	0.13
(vi) Other financial assets	61.88	41.34
(c) Assets held for sale	0.12	2.17
(d) Other current assets	72.84	52.22
Sub-total - Current assets	1,134.20	1,590.54
TOTAL - ASSETS	2,458.35	2,427.20
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	28.92	28.92
(b) Other equity		
Capital redemption reserve	0.20	0.20
General reserve	608.39	608.39
Retained earnings	1,192.73	1,137.61
Sub-total - Equity	1,830.24	1,775.12
LIABILITIES		
I. Non-current liabilities		
(a) Financial liabilities		
Other financial liabilities	18.55	17.35
(b) Provisions	34.43	31.89
(c) Deferred tax liabilities (net)	5.16	6.35
(d) Other non-current liabilities	16.58	8.39
Sub-total - Non-current liabilities	74.72	63.98
II. Current liabilities		
(a) Financial liabilities		
(i) Borrowings	15.26	13.07
(ii) Trade and other payables		
a) total outstanding dues of micro enterprises and small enterprises	22.24	29.72
b) total outstanding dues of creditors other than micro enterprises and small enterprises	325.85	352.26
(iii) Lease liabilities	0.36	-
(iv) Other financial liabilities	51.81	60.52
(b) Other current liabilities	79.22	67.51
(c) Provisions	57.95	64.17
(d) Government grants	0.70	0.85
Sub-total - Current liabilities	553.39	588.10
TOTAL - EQUITY AND LIABILITIES	2,458.35	2,427.20

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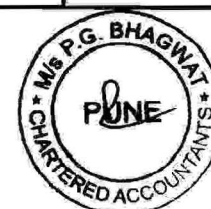


2 Statement of Cash Flow

(₹ in Crores)

Particulars	Year Ended	
	31-03-2020	31-03-2019
	Audited	Audited
CASH FLOW FROM OPERATING ACTIVITIES		
Profit before Tax	225.22	335.54
Adjustments to reconcile profit before tax to net cash flows:		
Add:		
Depreciation and Amortisation	66.63	72.86
Inventories written down	3.19	1.18
Bad debts and irrecoverable balances written off	0.54	1.84
Provision for doubtful debts and advances (net) (Including expected credit loss)	7.62	1.23
Loss on Revalorisation on Imports Payable	0.29	(0.25)
Finance costs	3.82	3.59
Amortisation of rent expenses	0.75	0.89
	82.84	81.34
Less :		
Net Gain on disposal of property, plant & Equipment	0.30	(0.94)
Profit on Revalorisation on Exports Receivable	2.75	(0.82)
Profit / (Loss) on sale of mutual fund investment at FVTPL (net)	24.03	49.45
Marked to Market gain on investments measured at FVTPL	0.17	1.74
Unwinding of interest on deposits & Government Grant (Subsidy receivable under PSI scheme, 2001)	2.80	0.89
Exceptional Items (Profit on sale of leasehold Property)	16.49	-
Sundry Credit Balances Appropriated	3.51	0.38
Provisions no longer required written back	3.03	2.50
Revenue from deferred EPCG income	0.15	-
Dividend Income	0.00	0.00
	53.23	53.20
Operating Profit before working capital changes	254.83	363.68
<i>Working Capital Adjustments</i>		
(Increase) / Decrease in Government Grant Receivable	6.19	(20.66)
(Increase) / Decrease in Trade and Other Receivables	133.53	(77.33)
(Increase) / Decrease in Inventories	(61.33)	21.24
Increase / (Decrease) in Trade and other Payables	(38.81)	(29.76)
Increase / (Decrease) in Provisions	1.13	6.32
	40.71	(100.19)
Net Cash generated from operations	295.54	263.49
Direct taxes paid (net of refunds)	(67.87)	(117.02)
NET CASH FLOW FROM OPERATING ACTIVITIES	227.67	146.47
Proceeds from sale of PPE & other intangible assets including advance	0.36	27.58
Commission on sale of leasehold Property	(0.38)	-
Proceeds from Sale of mutual funds (Net)	416.39	14.37
Dividend received	0.00	0.00
Investment in subsidiary	(499.50)	(27.00)
Investment in other than subsidiary	(0.49)	-
Payments for Purchase of Property, Plant and Equipment	(75.58)	(73.50)
NET CASH GENERATED FROM INVESTING ACTIVITIES	(159.20)	(58.55)
CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from bill discounting & borrowings	15.26	13.07
Finance Costs	(3.78)	(3.59)
Payment for lease liabilities	(0.38)	-
Repayment of borrowings	(13.07)	(16.50)
Final and Interim Dividend Paid	(94.00)	(72.31)
Tax on Final and Interim Dividend	(19.32)	(14.86)
NET CASH USED IN FINANCING ACTIVITY	(115.29)	(94.19)
Net increase / (decrease) in cash and cash equivalents	(46.82)	(6.27)
Opening Cash and Cash equivalents	49.71	55.98
Closing Cash and Cash equivalents	2.89	49.71

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- 3 The Company operates in single reportable segment namely 'Engines'.
- 4 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.
- 5 The Company opted to exercise the option permitted under Section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Act, 2019 . Accordingly, the Company has recognised Provision for Income tax for the quarter and year ended March 31, 2020 and remeasured its deferred tax assets /liabilities in accordance with the prescribed rate. The impact of this change has been recognised over the period from October 2019 to March 2020.
- 6 During the year ended 31 March , 2020 , 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).
- 7 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 and the year ended 31 March 2020.
- 8 The COVID-19 outbreak continues to spread rapidly in India and across the globe. Various measures taken by the Government to contain the spread of virus including lock-downs have affected economic activity and caused disruption to regular business operations of the Company. The extent to which the COVID-19 pandemic will impact Company's results will depend on future developments, which are highly uncertain. The Company has made Initial assessment of recoverability of its assets like trade receivables, Inventories and other asset and is reasonably certain that these need not be impaired. However the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial results and the Board will continue to closely monitor the developments.
- 9 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.
- 10 Exceptional item consist of profit on sale of property situated at MIDC Industrial Estate, Nagapur, Ahmednagar, Maharashtra.
- 11 During the year, the Board at its meeting held on 6 March 2020 had declared an Interim Dividend of Rs. 4/- (200%) per equity share of Rs. 2/- each for the year ended 31 March 2020, which was paid to all the eligible shareholders on 27 March 2020. The directors recommend for consideration of the members of the Company at the ensuing Annual General Meeting, the referred Interim Dividend as Final Dividend for the Financial Year ended 31 March 2020.
- 12 The results for the quarter and year ended 31 March 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 19 June 2020.

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

Place : Pune
Date : 19 June 2020

For Kirloskar Oil Engines Limited



SANJEEV NIMKAR

Managing Director

DIN: 07869394



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

To
**The Board of Directors of
Kirloskar Oil Engines Limited**

Report on the audit of the Standalone Financial Results

Opinion

We have audited the accompanying standalone quarterly and annual financial results of Kirloskar Oil Engines Limited (the "Company") for the quarter and year ended March 31, 2020, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the "Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, these standalone financial results:

- i. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- ii. give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards and other accounting principles generally accepted in India of the net profit and other comprehensive loss and other financial information of the Company for the quarter and year ended March 31, 2020.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results



M/s P. G. BHAGWAT

CHARTERED ACCOUNTANTS

under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note No. 8 to the financial results, which describes uncertainty of impact due to COVID-19 pandemic on Company's financial performance, which is dependent on future developments.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Standalone Financial Results

These quarterly and annual financial results have been prepared on the basis of the standalone financial statements. The Company's Board of Directors are responsible for the preparation of these financial results that give a true and fair view of the net profit and other comprehensive loss and other financial information in accordance with the accounting principles generally accepted in India including the Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rule 2015 (as amended) under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the Company's financial reporting process.



Auditor's Responsibilities for the Audit of the Standalone Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.



M/s P. G. BHAGWAT

CHARTERED ACCOUNTANTS

- Evaluate the overall presentation, structure and content of the standalone financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

The quarterly standalone financial results for the period ended March 31, 2020 are the derived figures between the audited figures in respect of the year ended March 31, 2020 and the published year-to-date figures up to December 31, 2019, 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.

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



Nachiket Deo
Partner
Membership Number: 117695
UDIN: 20117695A A A A A T 5614



Pune
Date: June 19, 2020

KIRLOSKAR OIL ENGINES LIMITED

CIN : L29120PN2009PLC133351

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

STATEMENT OF CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2020

(₹ in Crores)

Particulars	Consolidated				
	Quarter ended			Year ended	
	31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
	Audited	Unaudited	Note No -12	Audited	Audited
1 Income					
a) Revenue from operations	826.80	834.81	965.41	3,379.45	3,626.39
b) Other Income	10.65	7.88	19.21	42.51	65.13
Total income	837.45	842.69	984.62	3,421.96	3,691.52
2 Expenses					
a) Cost of raw materials and components consumed	414.43	373.38	405.34	1,576.92	1,673.73
b) Purchase of traded goods	130.32	147.04	162.20	625.51	632.89
c) Changes in inventories of finished goods, work-in-progress and traded goods	(43.37)	11.41	5.88	(60.25)	22.24
d) Employee benefits expense	64.87	70.56	64.34	270.37	242.91
e) Finance costs	5.16	3.16	3.36	14.21	12.97
f) Depreciation and amortisation expense	21.80	22.09	23.24	87.34	94.40
g) Other expenses	180.91	163.89	184.72	679.61	680.92
Total expenses (a to g)	774.12	791.53	849.08	3,193.71	3,360.06
3 Profit before exceptional items and tax	63.33	51.16	135.54	228.25	331.46
4 Exceptional items - (Expenses) / Income	-	-	-	16.49	-
5 Profit before tax (3 + 4)	63.33	51.16	135.54	244.74	331.46
6 Tax expense :					
Current tax	13.94	6.61	46.68	64.60	113.21
Deferred tax	(4.11)	(1.81)	(1.91)	(7.75)	(1.37)
Total Tax expense (6)	9.83	4.80	44.77	56.85	111.84
7 Net Profit / (Loss) for the period (5 - 6)	53.50	46.36	90.77	187.89	219.62
8 Other Comprehensive Income / (Expense)					
Re-measurement gains / (losses) on defined benefit plans and others	(1.29)	(0.45)	(0.58)	(2.87)	0.17
Income tax effect on above	0.33	0.04	0.30	0.73	-
Total other comprehensive Income for the year, net of tax (8)	(0.96)	(0.41)	(0.28)	(2.14)	0.17
9 Total comprehensive income for the year, net of tax (7 + 8)	52.54	45.95	90.49	185.75	219.79
10 Profit for the period attributable to:					
a) Owners of the Company	52.69	45.96	90.44	185.18	219.17
b) Non-controlling interest	0.81	0.40	0.33	2.71	0.45
11 Other comprehensive Income for the period attributable to:					
a) Owners of the Company	(0.90)	(0.41)	(0.31)	(2.09)	0.16
b) Non-controlling interest	(0.06)	0.00	0.03	(0.05)	0.01
12 Total comprehensive Income for the period attributable to:					
a) Owners of the Company	51.79	45.55	90.13	183.09	219.33
b) Non-controlling interest	0.75	0.40	0.36	2.66	0.46
13 Paid-up equity share capital (Face value of ₹ 2 each)	28.92	28.92	28.92	28.92	28.92
14 Other Equity				1,716.24	1,669.66
15 Basic and diluted EPS (₹) (Face value of ₹ 2 each) [not annualized]	3.64	3.18	6.25	12.81	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	
	31-03-2020	31-12-2019	31-03-2019	31-03-2020	31-03-2019
	Audited	Unaudited	Note No -12	Audited	Audited
SEGMENT REVENUE					
Engines	662.13	674.02	793.43	2655.43	2997.33
Electric Pumps	118.38	120.69	133.59	541.16	488.99
Financial Services	16.24	12.95	0.33	48.20	0.33
Others	29.51	26.72	37.55	132.86	138.92
Unallocated	0.54	0.43	0.51	1.80	0.82
REVENUE FROM OPERATIONS	826.80	834.81	965.41	3379.45	3626.39
SEGMENT RESULTS					
Engines	61.50	48.64	131.79	206.08	305.41
Electric Pumps	0.30	5.43	5.57	20.69	16.48
Financial Services	5.86	4.06	(5.84)	12.83	(9.90)
Others	(3.26)	(3.13)	(3.27)	(14.88)	(11.84)
Unallocated	4.09	(0.68)	10.65	17.74	44.28
Total	68.49	54.32	138.90	242.46	344.43
Less:					
(i) Finance Cost	5.16	3.16	3.36	14.21	12.97
(ii) Exceptional Item	0.00	0.00	0.00	(16.49)	0.00
Profit Before Tax	63.33	51.16	135.54	244.74	331.46
SEGMENT ASSETS					
Engines	1175.74	1120.12	1083.41	1175.74	1083.41
Electric Pumps	486.46	457.22	451.18	486.46	451.18
Financial Services	617.47	558.12	20.33	617.47	20.33
Others	66.69	69.42	74.56	66.69	74.56
Unallocated assets	415.53	477.04	972.66	415.53	972.66
TOTAL ASSETS	2761.89	2681.92	2602.14	2761.89	2602.14
SEGMENT LIABILITIES					
Engines	496.90	537.04	538.69	496.90	538.69
Electric Pumps	202.40	176.58	178.71	202.40	178.71
Financial Services	88.18	32.62	3.23	88.18	3.23
Others	69.05	24.53	43.29	69.05	43.29
Unallocated Liabilities	160.20	127.43	139.64	160.20	139.64
TOTAL LIABILITIES	1016.73	898.20	903.56	1016.73	903.56

Contd...3



2 Statement of assets and liabilities (Balance Sheet)

(₹ In Crores)

Particulars	Consolidated	
	As at 31-03-2020	As at 31-03-2019
	Audited	Audited
ASSETS		
I. Non-current assets		
(a) Property, plant and equipment	352.32	399.84
(b) Capital work-in-progress	30.32	17.89
(c) Right-of-use assets	24.94	-
(d) Goodwill	184.50	184.50
(e) Other Intangible assets	61.02	78.95
(f) Intangible assets under development	47.45	23.03
(g) Financial assets		
(i) Investments	74.33	0.01
(ii) Receivables of Financial Service Business	181.13	-
(iii) Loans	0.28	0.33
(iv) Other financial assets	49.22	70.92
(h) Deferred tax assets (net)	3.02	6.75
(i) Other non-current assets	73.66	59.96
Sub-total - Non-current assets	1,082.19	842.18
II. Current assets		
(a) Inventories	405.77	309.58
(b) Financial assets		
(i) Investments	358.29	711.21
(ii) Trade receivables	412.10	407.58
(iii) Cash and cash equivalents	128.34	61.74
(iv) Bank balance other than (iii) above	14.25	136.63
(v) Receivables of Financial Service Business	180.75	-
(vi) Loans	0.26	0.19
(vii) Other financial assets	63.42	44.30
(c) Assets held for sale	0.12	2.17
(d) Current tax assets (net)	0.64	1.66
(e) Other current assets	115.76	84.90
Sub-total - Current assets	1,679.70	1,759.96
TOTAL - ASSETS	2,761.89	2,602.14
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	28.92	28.92
(b) Other equity		
(i) Capital redemption reserve	0.20	0.20
(ii) General reserve	608.39	608.39
(iii) Statutory reserve	1.22	-
(iv) Employee Stock Option Reserve	4.72	-
(v) Retained earnings	1,101.40	1,060.81
(vi) Reserves representing unrealised gains/ losses	0.31	0.26
Sub-total - Equity	1,745.16	1,698.58
LIABILITIES		
I. Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	64.44	16.69
(ii) Lease Liabilities	7.51	-
(iii) Other financial liabilities	129.33	98.16
(b) Provisions	35.73	32.91
(c) Deferred tax liabilities (net)	15.14	25.43
(d) Other non-current liabilities	16.58	8.39
Sub-total - Non-current liabilities	268.73	181.58
II. Current liabilities		
(a) Financial liabilities		
(i) Borrowings	84.92	64.78
(ii) Trade and other payables		
a) total outstanding dues of micro enterprises and small enterprises	55.96	56.37
b) total outstanding dues of creditors other than micro enterprises and small enterprises	357.61	383.03
(iii) Lease liabilities	2.37	-
(iv) Other financial liabilities	90.29	71.96
(b) Other current liabilities	87.11	70.92
(c) Provisions	69.04	74.07
(d) Government grants	0.70	0.85
Sub-total - Current liabilities	748.00	721.98
TOTAL - EQUITY AND LIABILITIES	2,761.89	2,602.14

Contd...4



3 Statement of Cash Flow

(₹ in Crores)

Particulars	Consolidated	
	As at 31-03-2020	As at 31-03-2019
	Audited	Audited
CASH FLOW FROM OPERATING ACTIVITIES	244.74	331.46
Profit before Tax		
Adjustments to reconcile profit before tax to net cash flows:		
Add:		
Depreciation and Amortisation	87.34	94.40
Loss on disposal of assets & Others	2.77	1.96
Inventories written down	5.94	3.74
Bad debts and irrecoverable balances written off	2.93	2.09
Provision for doubtful debts and advances (net) (Including expected credit loss)	6.89	1.99
Loss on Revalorisation on Imports Payable	0.30	(0.23)
Loss on Revalorisation on Forex Loans	1.17	-
Provisions for share based payments	4.72	-
Unrealised Exchange Differences in translating the financial statements of a foreign operation	0.05	0.16
Finance cost	14.21	12.97
Amortisation of rent expenses	1.42	2.03
	127.74	119.11
Less:		
Profit on Revalorisation on Exports Receivable	3.81	(0.41)
Amortised discount income on commercial paper	7.42	-
Interest received on debt instrument	5.40	-
Profit / (Loss) on sale of mutual fund investment at FVTPL (net)	24.03	49.45
Marked to Market gain on investments measured at FVTPL including of financial service business	0.25	1.74
Unwinding of interest on deposits & Government Grant (Subsidy receivable under PSI scheme, 2001)	3.93	1.99
Exceptional Items (Profit on sale of leasehold Property)	16.49	-
Income from investment property		
Sundry Credit Balances Appropriated	3.70	0.61
Provisions no longer required written back	3.52	4.44
Revenue from deferred EPCG income	0.15	-
Dividend received	0.00	0.00
	68.70	57.82
Operating Profit before working capital changes	303.78	392.75
<i>Working Capital Adjustments</i>		
(Increase) / Decrease in Government Grant Receivables	6.19	(20.64)
(Increase) / Decrease in Trade and Other Receivables	129.78	(51.48)
(Increase) / Decrease in Receivables of Financial Service Business	(363.14)	-
(Increase) / Decrease in Inventories	(102.13)	31.25
Increase / (Decrease) in Trade and other Payables	(24.14)	(45.87)
Increase / (Decrease) in Provisions	2.79	7.00
	(350.65)	(79.74)
Net Cash generated from operations	(46.87)	313.01
Direct taxes paid (net of refunds)	(77.30)	(121.20)
NET CASH FLOW FROM OPERATING ACTIVITIES	(124.17)	191.81
CASH FLOW FROM INVESTING ACTIVITIES		
Add :		
Proceeds from sale of PPE & other intangible assets including advance	1.07	28.09
Commission on sale of leasehold Property	(0.38)	-
Proceeds from Sale of Investments (Net)	310.80	15.22
Interest received on debt instrument	5.24	-
Income from investment property		
Dividend received	0.00	0.00
Investment in equity instrument of other than subsidiary companies	(0.49)	-
Payments for Purchase of Property, Plant and Equipment	(82.89)	(81.16)
NET CASH GENERATED FROM INVESTING ACTIVITIES	233.35	(37.85)
CASH FLOW FROM FINANCING ACTIVITIES		
Payment for lease liabilities	(3.10)	-
Finance cost	(13.35)	(13.66)
Proceeds/(Repayment) bill discounting & borrowings (Net)	87.69	(51.92)
Stamp duty paid on right issue by subsidiary company (Arka Fincap Limited)	(0.50)	-
Final and Interim Dividend Paid	(94.00)	(72.31)
Tax on Final and Interim Dividend	(19.32)	(14.86)
NET CASH USED IN FINANCING ACTIVITY	(42.58)	(152.75)
Net Increase / (decrease) in cash and cash equivalents	66.60	1.21
Opening Cash and Cash equivalents	61.74	60.53
Closing Cash and Cash equivalents	128.34	61.74

Contd...5

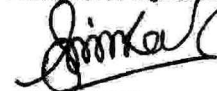


- 4 As per IND AS 108 "Operating Segments", The Group has reported 'Segment Information' as described below:-
- Engines - The Engines segment includes production, sales and services of Engines, Gensets and spares parts.
 - Electric Pumps - The Electric Pumps segment includes production, sales and services of Electric Pumps.
 - Financial Services - This segment includes operations of rendering financial services through wholly owned NBFC subsidiary ARKA Fincap Limited. (formerly known as Kirloskar Capital Limited)
 - Other Segments - This represents others operating business segments which are not separately reportable as per IND AS criterion.
 - Unallocable - Unallocable comprises of assets, liabilities, revenue and expenses which are not directly related with any of operating segments.
- 5 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.
- 6 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) has recognised Provision for income tax for the quarter and year ended March 31, 2020 and remeasured its deferred tax assets /liabilities in accordance with the prescribed rate. The impact of this change has been recognised over the period from October 2019 to March 2020.
- 7 Exceptional Item consist of profit on sale of property situated at MIDC Industrial Estate, Nagapur, Ahmednagar, Maharashtra.
- 8 During the year ended March 31, 2020, 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).
- 9 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) and 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 and the year ended 31 March 2020.
- 10 The COVID-19 outbreak continues to spread rapidly in India and across the globe. Various measures taken by the Government to contain the spread of virus including lock-downs have affected economic activity and caused disruption to regular business operations of the Group. The extent to which the COVID-19 pandemic will impact Group's results will depend on future developments, which are highly uncertain. The Group has made initial assessment of recoverability of its assets like trade receivables, inventories and other asset and is reasonably certain that these need not be impaired. However the impact assessment of COVID-19 is a continuing process given the uncertainties associated with its nature and duration. The impact of COVID-19 may be different from that estimated as at the date of approval of these financial results and the Board will continue to closely monitor the developments.
- 11 The Consolidated Financials Results includes the results of following Subsidiaries:-
- La-Gajjar Machineries Private Limited
 - ARKA Fincap Limited (Formerly known as Kirloskar Capital Limited)
 - KOEL Americas Corp.
- 12 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 ended 31 March 2019 are approved by the Board of Directors of the Company but have not been subjected to review by the Statutory Auditors.
- 13 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.
- 14 During the year, the Board of Parent Company at its meeting held on 6th March 2020 had declared an Interim Dividend of Rs. 4/- (200%) per equity share of Rs. 2/- each for the year ended 31st March 2020, which was paid to all the eligible shareholders on 27th March 2020. The directors recommend for consideration of the members of the Parent Company at the ensuing Annual General Meeting, the referred Interim Dividend as Final Dividend for the Financial Year ended 31st March 2020.
- 15 The results for the quarter and year ended 31 March 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 19 June 2020.

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

Place : Pune
Date : 19 June 2020

For Kirloskar Oil Engines Limited



SANJEEV NIMKAR
Managing Director
DIN:07869394



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

To,
The Board of Directors of
Kirloskar Oil Engines Limited

Report on the audit of the Consolidated Financial Results

Opinion

We have audited the accompanying Consolidated Quarterly and annual financial results of Kirloskar Oil Engines Limited (hereinafter referred to as the "Holding Company"), its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), for the quarter and year ended March 31, 2020 attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ('Listing Regulations').

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of report of other auditor on separate audited financial statements / financial information of the subsidiaries the aforesaid consolidated financial results:

- i. include the annual financial results of the following entities,
 - a. La- Gajjar Machineries Private Limited
 - b. Arka Fincap Limited (Formerly known as Kirloskar Capital Limited)
 - c. KOEL Americas Corp.
- ii. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
- iii. give a true and fair view in conformity with the applicable accounting standards, and other accounting principles generally accepted in India, of consolidated total comprehensive income (comprising of net profit and other comprehensive loss) and other financial information of the Group for the Quarter and year ended March 31, 2020.



M/s P. G. BHAGWAT

CHARTERED ACCOUNTANTS

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 ("Act") as amended. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Results section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us and other auditors in terms of their reports referred to in "Other Matter" paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw your attention to Note No. 10 to the financial results, which describes uncertainty of impact due to COVID-19 pandemic on Company's financial performance, which is dependent on future developments.

Our opinion is not modified in respect of this matter.

Management's Responsibilities for the Consolidated Financial Results

These quarterly as well as annual financial results have been prepared on the basis of the consolidated financial statements.

The Holding Company's Board of Directors are responsible for the preparation and presentation of these consolidated financial results that give a true and fair view of the net profit and other comprehensive loss and other financial information of the Group in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial results by the Directors of the Holding Company, as aforesaid.



In preparing the consolidated financial results, the respective Board of Directors of the companies included in the Group, are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the respective Board of Directors either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group are responsible for overseeing the financial reporting process of the Group.

Auditor's Responsibilities for the Audit of the Consolidated Financial Results

Our objectives are to obtain reasonable assurance about whether the consolidated financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions



M/s P. G. BHAGWAT

CHARTERED ACCOUNTANTS

are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial results, including the disclosures, and whether the consolidated financial results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial statements/financial information of the entities within the Group to express an opinion on the consolidated Financial Results. We are responsible for the direction, supervision and performance of the audit of financial information of such entities included in the consolidated financial results of which we are the independent auditors. For the other entity included in the consolidated Financial Results, which have been audited by other auditor, such other auditor remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entity included in the consolidated financial results of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33(8) of the Listing Regulations, as amended, to the extent applicable.

Other Matters

The consolidated Financial Results include the audited Financial Results of one subsidiary whose standalone financial statements reflect Group's share of total assets of Rs. 617.47 Crores as at March 31, 2020, Group's share of total revenue of Rs. 16.31 Crores and Rs 48.44 Crores and Group's share of total net profit after tax of Rs. 3.22 Crores and Rs. 6.10 Crores for the quarter and year ended March 31, 2020 respectively, as considered in the consolidated Financial Results, which have been audited by its respective independent auditor. The independent auditor's report on standalone financial statements of this entity have been furnished to us and our opinion on the consolidated Financial Results, in so far as it relates to the amounts and disclosures included in respect of this entity, is based solely on the report of such auditor and the procedures performed by us are as stated in paragraph above.

The consolidated Financial Results include the unaudited Financial Results of one subsidiary, whose financial statements/ financial information reflect Group's share of total assets of Rs. 11.94



M/s P. G. BHAGWAT

CHARTERED ACCOUNTANTS

Crores as at March 31, 2020, Group's share of total revenue of Rs. 4.76 Crores and Rs. 19.21 Crores and Group's share of total net profit after tax of Rs. 0.61 Crores and Rs. 1.04 Crores for the quarter and year ended March 31, 2020 respectively, as considered in the consolidated Financial Results. This unaudited financial statements/financial information have been furnished to us by the Board of Directors and our opinion on the consolidated Financial Results, 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/financial information. In our opinion and according to the information and explanations given to us by the Board of Directors, these financial statements/financial information are not material to the Group.

Our opinion on the consolidated Financial Results is not modified in respect of the above matters with respect to our reliance on the work done and the report of the other auditor and the Financial statements/financial information certified by the Board of Directors.

The quarterly consolidated financial results for the period ended March 31, 2020 are the derived figures between the audited figures in respect of the year ended March 31, 2020 and the published year-to-date figures up to December 31, 2019, 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.

We draw your attention to Note No. 12 to the results which states that the consolidated figures for the corresponding quarter ended March 31, 2019, as reported in the accompanying results have been approved by the Holding Company's Board of Directors, but have not been subjected to review. Our report 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: 20117695AAAAAS2427



Pune
Date: June 19, 2020



Enriching Lives

KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

Date: 19th June 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,

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 31st March 2020 and Consolidated Audited financial results of the Company, for the quarter and year ended 31st March 2020.

You are requested to take the same on your record.

Thanking you,

Yours faithfully,
For Kirloskar Oil Engines Limited


Pawan Kumar Agarwal
Chief Financial Officer

