



Enriching Lives

## KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

Date: 18 May 2018

NSE Scrip Code: **KIRLOSENG**

BSE Scrip Code: **533293**

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

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

Dear Sir/Madam,

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

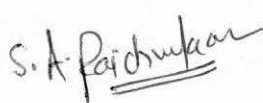
1. The Standalone Audited Financial Results of the Company for the quarter and year ended 31 March 2018 and the Consolidated Audited Financial Results of the Company, for the year ended 31 March 2018, which were approved by the Board of Directors in its meeting held on 18 May 2018;
2. Auditors Report received from M/s. P. G. Bhagwat, Chartered Accountants, Statutory Auditors of the Company on aforesaid Audited Financial Results - Standalone and Consolidated;
3. A declaration in respect of Audit Report with unmodified opinion;
4. The Board of Directors in its meeting held on 18 May 2018, has recommended the final dividend of Rs. 2.50/- (125%) per equity share of Rs. 2/- each for the financial year 2017-18, subject to the approval of the members at the ensuing Annual General Meeting and shall be paid through National Electronic Clearing System (NECS) or vide our dividend warrants, as the case may be. The dividend if approved by the shareholders shall be paid on or before **30 August 2018**.

The meeting of the Board of Directors of the Company commenced at 11.00 a.m. and concluded at 1.20 p.m.

You are requested to take the same on your record.

Thanking you,

Yours faithfully,  
For Kirloskar Oil Engines Limited

  
Smita Raichurkar  
Company Secretary



Encl.: As above.

## KIRLOSKAR OIL ENGINES LIMITED

STATEMENT OF STANDALONE AND CONSOLIDATED AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED 31ST MARCH 2018

( ₹ in Crores )

Particulars	Standalone					Consolidated	
	Quarter ended			Year ended		Year ended	
	31-03-2018	31-12-2017	31-03-2017	31-03-2018	31-03-2017	31-03-2018	31-03-2017
	Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
<b>1 Income</b>							
a(i) Revenue from operations (Net of excise duty)	791.32	684.61	700.33	2,831.89	2,670.42	3,055.46	2,673.61
a(ii) Excise duty	-	-	54.10	55.33	204.73	55.33	204.73
a) Revenue from operations [a(i) + a(ii)]	791.32	684.61	754.43	2,887.22	2,875.15	3,110.79	2,878.34
b) Other Income	13.90	21.61	19.48	69.33	83.07	71.80	84.04
<b>Total income</b>	<b>805.22</b>	<b>706.22</b>	<b>773.91</b>	<b>2,956.55</b>	<b>2,958.22</b>	<b>3,182.59</b>	<b>2,962.38</b>
<b>2 Expenses</b>							
a) Cost of raw materials and components consumed	411.85	355.09	351.29	1,450.53	1,351.57	1,573.40	1,351.57
b) Purchase of traded goods	110.74	81.48	88.31	392.96	348.20	403.74	348.21
c) Changes in inventories of finished goods, work-in-progress and traded goods	(11.49)	(3.59)	0.57	(26.78)	(11.47)	(21.80)	(11.47)
d) Excise duty on sale of goods	-	-	54.10	55.33	204.73	55.33	204.73
e) Employee benefits expense	48.85	52.85	49.26	206.11	201.57	222.24	202.34
f) Finance costs	1.03	0.76	0.56	3.38	2.80	11.55	2.81
g) Depreciation and amortisation expense	24.75	28.06	28.16	108.58	110.68	111.93	110.72
h) Other expenses	152.94	134.02	142.03	543.96	497.84	613.67	500.82
<b>Total expenses (a to h)</b>	<b>738.67</b>	<b>648.67</b>	<b>714.28</b>	<b>2,734.07</b>	<b>2,705.92</b>	<b>2,970.06</b>	<b>2,709.73</b>
<b>3 Profit before exceptional items and tax</b>	<b>66.55</b>	<b>57.55</b>	<b>59.63</b>	<b>222.48</b>	<b>252.30</b>	<b>212.53</b>	<b>252.65</b>
<b>4 Exceptional items - (Expenses) / Income</b>	-	-	-	-	-	-	-
<b>5 Profit before tax (3 + 4)</b>	<b>66.55</b>	<b>57.55</b>	<b>59.63</b>	<b>222.48</b>	<b>252.30</b>	<b>212.53</b>	<b>252.65</b>
<b>6 Tax expense :</b>							
Current tax	23.90	17.94	19.08	78.01	79.68	78.28	79.74
Deferred tax	(1.67)	0.16	(3.67)	(5.64)	(1.00)	(8.47)	(0.98)
<b>Total Tax expense (6)</b>	<b>22.23</b>	<b>18.10</b>	<b>15.41</b>	<b>72.37</b>	<b>78.68</b>	<b>69.81</b>	<b>78.76</b>
<b>7 Net Profit / (Loss) for the period (5 - 6)</b>	<b>44.32</b>	<b>39.45</b>	<b>44.22</b>	<b>150.11</b>	<b>173.62</b>	<b>142.72</b>	<b>173.89</b>
<b>8 Other Comprehensive Income / (Expense)</b>							
Re-measurement gains / (losses) on defined benefit plans and others	1.40	0.70	0.06	1.63	(0.88)	1.42	(0.85)
Income tax effect on above	(0.25)	(0.46)	0.03	(0.57)	0.30	(0.49)	0.30
<b>Total other comprehensive income for the year, net of tax (8)</b>	<b>1.15</b>	<b>0.24</b>	<b>0.09</b>	<b>1.06</b>	<b>(0.58)</b>	<b>0.93</b>	<b>(0.55)</b>
<b>9 Total comprehensive income for the year, net of tax (7 + 8)</b>	<b>45.47</b>	<b>39.69</b>	<b>44.31</b>	<b>151.17</b>	<b>173.04</b>	<b>143.65</b>	<b>173.34</b>
<b>10 Profit for the period attributable to:</b>							
a) Owners of the Company						144.66	173.89
b) Non-controlling interest						(1.94)	-
<b>11 Other comprehensive income for the period attributable to:</b>							
a) Owners of the Company						0.97	(0.55)
b) Non-controlling interest						(0.04)	-
<b>12 Total comprehensive income for the period attributable to:</b>							
a) Owners of the Company						145.63	173.34
b) Non-controlling interest						(1.98)	-
<b>13 Paid-up equity share capital (Face value of ₹ 2 each)</b>	<b>28.92</b>	<b>28.92</b>	<b>28.92</b>	<b>28.92</b>	<b>28.92</b>	<b>28.92</b>	<b>28.92</b>
<b>14 Other Equity</b>	<b>1,608.42</b>	<b>1,587.79</b>	<b>1,587.79</b>	<b>1,608.42</b>	<b>1,587.79</b>	<b>1,540.62</b>	<b>1,588.25</b>
<b>15 Basic and diluted EPS (₹) (Face value of ₹ 2 each) [not annualized]</b>	<b>3.06</b>	<b>2.73</b>	<b>3.06</b>	<b>10.38</b>	<b>12.01</b>	<b>10.00</b>	<b>12.02</b>

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## 1 Statement of assets and liabilities (Balance Sheet)

( ₹ in Crores )

Particulars	Standalone		Consolidated	
	As at	As at	As at	As at
	31-03-2018	31-03-2017	31-03-2018	31-03-2017
	Audited	Audited	Audited	Audited
<b>ASSETS</b>				
<b>I. Non-current assets</b>				
(a) Property, plant and equipment	382.92	384.95	407.21	385.12
(b) Capital work-in-progress	17.96	8.71	17.96	8.71
(c) Investment property	-	2.17	-	2.17
(d) Goodwill	-	-	224.59	-
(e) Other Intangible assets	39.40	52.50	39.48	52.50
(f) Intangible assets under development	12.22	6.20	12.22	6.20
(g) Financial assets				
(i) Investments	255.38	4.29	0.01	2.70
(ii) Trade and other receivables	1.60	-	1.60	-
(iii) Loans	0.15	0.42	0.17	0.42
(iv) Other financial assets	44.19	41.77	59.26	41.77
(g) Deferred tax assets (net)	-	-	2.75	(11.69)
(h) Other non-current assets	39.14	35.09	43.23	35.09
<b>Sub-total - Non-current assets</b>	<b>792.96</b>	<b>536.10</b>	<b>808.48</b>	<b>522.99</b>
<b>II. Current assets</b>				
(a) Inventories	264.59	226.09	344.57	226.09
(b) Financial assets				
(i) Investments	675.24	985.54	675.24	985.54
(ii) Trade receivables	325.99	200.97	401.65	201.26
(iii) Cash and cash equivalents	55.98	11.01	60.53	12.96
(iv) Bank balance other than (iii) above	9.23	7.03	9.79	7.03
(v) Loans	0.29	0.38	0.34	0.38
(vi) Other financial assets	39.14	65.70	41.01	65.70
(c) Assets held for sale	2.08	0.25	2.09	0.25
(d) Current tax assets (net)	4.67	1.41	4.32	1.34
(e) Other current assets	93.65	135.09	124.00	135.10
<b>Sub-total - Current assets</b>	<b>1,470.86</b>	<b>1,633.47</b>	<b>1,663.54</b>	<b>1,635.65</b>
<b>TOTAL - ASSETS</b>	<b>2,263.82</b>	<b>2,169.57</b>	<b>2,472.02</b>	<b>2,158.64</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity share capital	28.92	28.92	28.92	28.92
(b) Other equity				
(i) Capital redemption reserve	0.20	0.20	0.20	0.20
(ii) General reserve	608.39	608.39	608.39	608.39
(iii) Retained earnings	999.83	979.20	931.93	979.57
(iv) Reserves representing unrealised gains/ losses	-	-	0.10	0.09
<b>Sub-total - Equity</b>	<b>1,637.34</b>	<b>1,616.71</b>	<b>1,569.54</b>	<b>1,617.17</b>
<b>LIABILITIES</b>				
<b>I. Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	-	-	5.47	-
(ii) Other financial liabilities	17.31	17.92	88.64	17.92
(b) Long-term provisions	29.79	31.50	30.38	31.50
(c) Deferred tax liabilities (net)	6.59	11.67	-	-
(d) Other non-current liabilities	4.93	5.27	4.93	5.27
<b>Sub-total - Non-current liabilities</b>	<b>58.62</b>	<b>66.36</b>	<b>129.42</b>	<b>54.69</b>
<b>II. Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	16.50	12.45	134.01	12.45
(ii) Trade and other payables	419.57	354.98	488.66	354.87
(iii) Other financial liabilities	62.34	52.11	68.38	52.10
(b) Other current liabilities	16.08	18.07	19.50	18.47
(c) Short-term provisions	52.52	48.04	61.66	48.04
(d) Government grants	0.85	0.85	0.85	0.85
<b>Sub-total - Current liabilities</b>	<b>567.86</b>	<b>486.50</b>	<b>773.06</b>	<b>486.78</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>2,263.82</b>	<b>2,169.57</b>	<b>2,472.02</b>	<b>2,158.64</b>

Contd...3

- 2 The Company operates in single reportable segment namely 'Engines'.
- 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 figures for the quarter ended 31 March 2018 are balancing figures between audited figures in respect of full financial year ended 31 March 2018 and the published year to date figures upto the third quarter ended 31 December 2017, which have been regrouped / rearranged wherever necessary.
- 5 Revenue from operations includes excise duty collected as per the extant guideline prescribed in Ind AS 18 "Revenue". As per said guideline Goods and Services Tax collected w.e.f. 1 July 2017 is excluded from the same.
- 6 The Company, on 21 June 2017 had signed definitive agreement for acquisition of 100 % equity shares in La-Gajjar Machineries Private Limited (LGM). On 1 August 2017 the company had acquired 76% of equity shares of LGM as per the terms of share purchase agreement. Further, as per Ind AS guidelines, the company has accrued a liability for acquiring balance 24% shares at a fair value of Rs. 70.61 Crores in its consolidated financials.
- 7 The Board of Directors has recommended a Final Dividend of Rs. 2.50 per equity share having face value of Rs. 2 each (125%).
- 8 The results for the quarter and year ended 31 March 2018 are reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 18 May 2018.

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

Place : Pune  
Date : 18 May 2018



For Kirloskar Oil Engines Limited

Nihal G. Kulkarni  
Managing Director



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

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

To,  
Board of Directors,  
Kirloskar Oil Engines Limited,

We have audited the accompanying statement of quarterly standalone financial results of **Kirloskar Oil Engines Limited** for the quarter and year ended March 31, 2018, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular CIR/CFD/FAC/62/2016 dated July 5 2016.

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

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

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

(i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No CIR/CFD/FAC/62/2016 dated July 5, 2016, in this regard; and



**M/s P. G. BHAGWAT**  
CHARTERED ACCOUNTANTS

- (ii) give a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, other comprehensive income and other financial information for the quarter and year ended March 31, 2018.

The quarterly standalone financial results are the derived figures between the audited figures in respect of the year ended March 31, 2018 and the published year-to-date figures up to December 31, 2017, being the date of the end of the third quarter of the current financial year, which were subjected to limited review as required under Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No CIR/CFD/FAC/62/2016 dated July 5, 2016.

**FOR M/S P. G. BHAGWAT**

Chartered Accountants

Firm Registration Number: 101118W



Nachiket Deo

Partner

Membership No.: 117695

Pune

Date: 18<sup>th</sup> May, 2018



## **Auditor's Report on Consolidated Financial Results of the Company**

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

To,  
Board of Directors,  
Kirloskar Oil Engines Limited,

We have audited the accompanying statement of consolidated financial results of **Kirloskar Oil Engines Limited** (hereinafter referred to as "the Holding Company"), **KOEL Americas Corporation** ("the subsidiary") and **La-Gajjar Machineries Private Limited** ("the subsidiary"), (the Holding Company and its subsidiary together referred to as "the Group") for the year ended March 31, 2018, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with SEBI circular CIR/CFD/FAC/62/2016 dated July 5 2016.

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

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

We did not audit the financial statements of overseas subsidiary i.e KOEL America Corporation whose financial statements reflect total assets of Rs. 14.01 Crores as at 31st March, 2018, total revenues of Rs.24.06 Crores and net cash flows amounting to Rs.2.33 Crores for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary is based solely on such unaudited financial statements. In our opinion and according to the information and



# **M/s P. G. BHAGWAT**

CHARTERED ACCOUNTANTS

explanations given to us by the Management, these financial statements are not material to the Group.

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

- (i) Include the financial result of KOEL Americas Corporation & La-Gajjar Machinerics Private Limited.
- (ii) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI circular No CIR/CFD/FAC/62/2016 dated July 5, 2016, in this regard; and
- (iii) give a true and fair view in conformity with the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the net profit, other comprehensive income and other financial information for the quarter and year ended March 31, 2018.

**FOR M/S P. G. BHAGWAT**

Chartered Accountants

Firm Registration Number: 101118W



Nachiket Deo

Partner

Membership No.: 117695

Pune

Date: 18<sup>th</sup> May, 2018







**KIRLOSKAR OIL ENGINES LIMITED**  
A Kirloskar Group Company

Enriching Lives

Date: 18 May 2018

NSE Scrip Code: **KIRLOSENG**

BSE Scrip Code: **533293**

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

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

Dear Sir/Madam,


**Subject: Declaration in respect of Audit Report with unmodified opinion**

Pursuant to the provisions of the Regulation 33(3) (d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as amended, we hereby state that the Statutory Auditors of the Company M/s. P. G. Bhagwat, Chartered Accountants (Firm Registration no. 101118W), have issued an Audit Report with unmodified opinion, on the Standalone Audited financial results of the Company, for the quarter and year ended 31 March 2018 and Consolidated Audited financial results of the Company, for the year ended 31 March 2018.

You are requested to take the same on your record.

Thanking you,

Yours faithfully,  
For Kirloskar Oil Engines Limited

  
T. Vinodkumar  
Chief Financial Officer

