



# KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

Enriching Lives

Date: 10 May 2017

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 2017 and the Consolidated audited financial results of the Company for the year ended 31 March 2017 which were approved by the Board of Directors in its meeting held on 10 May 2017;
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. Form A (for audit report with unmodified opinion) – Standalone and Consolidated
4. The Board of Directors in its meeting held on 10 May 2017 has recommended the final dividend of Rs. 5/- (250%) per equity share of Rs. 2/- each for the financial year 2016-17 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 28 August 2017.





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**KIRLOSKAR OIL ENGINES LIMITED**


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The meeting of the Board of Directors of the Company commenced at 11.30 a.m. and concluded at 1.50 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 2017

Particulars		Standalone					Consolidated	
		Quarter ended			Year ended		Year ended	
		31-03-2017	31-12-2016	31-03-2016	31-03-2017	31-03-2016	31-03-2017	31-03-2016
		Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
<b>1</b>	<b>Income</b>							
	a) Revenue from operations	754.43	689.76	731.93	2,875.15	2,644.03	2,878.34	2,644.53
	b) Other Income	21.17	17.60	18.21	85.03	74.34	85.02	74.35
	<b>Total income</b>	<b>775.60</b>	<b>707.36</b>	<b>750.14</b>	<b>2,960.18</b>	<b>2,718.37</b>	<b>2,963.36</b>	<b>2,718.88</b>
<b>2</b>	<b>Expenses</b>							
	a) Cost of raw materials and components consumed	351.29	322.94	322.80	1,351.57	1,238.95	1,351.57	1,238.95
	b) Purchase of traded goods	88.31	85.11	87.08	348.20	321.34	348.21	321.34
	c) Changes in inventories of finished goods, work-in-progress and traded goods	0.57	(0.81)	9.21	(11.47)	(18.02)	(11.47)	(18.02)
	d) Excise duty on sale of goods	54.10	48.59	50.78	204.73	180.98	204.73	180.99
	e) Employee benefits expense	49.26	52.28	36.86	201.57	185.41	202.34	185.51
	f) Finance costs	0.56	0.84	1.00	2.80	9.04	2.81	9.04
	g) Depreciation and amortisation expense	28.16	27.56	31.49	110.68	111.31	110.72	111.32
	h) Other expenses	143.72	123.75	123.21	499.80	458.90	501.80	459.17
	<b>i) Total expenses (a to h)</b>	<b>715.97</b>	<b>660.26</b>	<b>662.43</b>	<b>2,707.88</b>	<b>2,487.91</b>	<b>2,710.71</b>	<b>2,488.30</b>
<b>3</b>	<b>Profit before exceptional items and tax</b>	<b>59.63</b>	<b>47.10</b>	<b>87.71</b>	<b>252.30</b>	<b>230.46</b>	<b>252.65</b>	<b>230.58</b>
<b>4</b>	Exceptional items - (Expenses) / Income	-	-	(15.10)	-	(25.48)	-	(25.48)
<b>5</b>	<b>Profit before tax (3 + 4)</b>	<b>59.63</b>	<b>47.10</b>	<b>72.61</b>	<b>252.30</b>	<b>204.98</b>	<b>252.65</b>	<b>205.10</b>
<b>6</b>	<b>Tax expense :</b>							
	Current tax	19.08	15.78	16.81	79.68	47.35	79.74	47.37
	Deferred tax	(3.67)	3.25	(2.59)	(1.00)	(7.68)	(0.98)	(7.69)
<b>7</b>	<b>Net Profit / (Loss) for the period (5 - 6)</b>	<b>44.22</b>	<b>28.07</b>	<b>58.39</b>	<b>173.62</b>	<b>165.31</b>	<b>173.89</b>	<b>165.42</b>
<b>8</b>	<b>Other Comprehensive Income / (Expense)</b>							
	Re-measurement gains / (losses) on defined benefit plans and others	0.06	(0.24)	0.02	(0.88)	(0.16)	(0.85)	(0.09)
	Income tax effect on above	0.03	0.06	(0.01)	0.30	0.06	0.30	0.06
	<b>Total other comprehensive income for the year, net of tax (8)</b>	<b>0.09</b>	<b>(0.18)</b>	<b>0.01</b>	<b>(0.58)</b>	<b>(0.10)</b>	<b>(0.55)</b>	<b>(0.03)</b>
<b>9</b>	<b>Total comprehensive income for the year, net of tax (7 + 8)</b>	<b>44.31</b>	<b>27.89</b>	<b>58.40</b>	<b>173.04</b>	<b>165.21</b>	<b>173.34</b>	<b>165.39</b>
<b>10</b>	Paid-up equity share capital (Face value of ₹ 2 each)	28.92	28.92	28.92	28.92	28.92	28.92	28.92
<b>11</b>	Other Equity	1,587.79	1,414.74	1,414.74	1,587.79	1,414.74	1,588.25	1,414.91
<b>12</b>	<b>Basic and diluted EPS (₹) (Face value of ₹ 2 each) [not annualized]</b>	<b>3.06</b>	<b>1.94</b>	<b>4.04</b>	<b>12.01</b>	<b>11.43</b>	<b>12.02</b>	<b>11.44</b>

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## 1 Statement of assets and liabilities

Particulars	( ₹ in Crores )			
	Standalone		Consolidated	
	As at	As at	As at	As at
	31-03-2017	31-03-2016	31-03-2017	31-03-2016
	Audited	Audited	Audited	Audited
<b>ASSETS</b>				
<b>I. Non-current assets</b>				
(a) Property, plant and equipment	384.95	444.02	385.12	444.22
(b) Capital work-in-progress	8.71	3.85	8.71	3.85
(c) Investment property	2.17	2.28	2.17	2.28
(d) Other Intangible assets	52.50	30.99	52.50	30.99
(e) Intangible assets under development	6.20	25.41	6.20	25.41
(f) Financial assets				
(i) Investments	4.29	4.44	2.70	2.85
(ii) Loans	0.42	0.75	0.42	0.75
(iii) Other financial assets	41.77	28.70	41.77	28.72
(g) Other non-current assets	35.09	82.00	35.09	82.00
<b>Sub-total - Non-current assets</b>	<b>536.10</b>	<b>622.44</b>	<b>534.68</b>	<b>621.07</b>
<b>II. Current assets</b>				
(a) Inventories	226.09	205.79	226.09	205.79
(b) Financial assets				
(i) Investments	985.54	785.90	985.54	785.90
(ii) Trade receivables	200.97	159.34	201.26	158.23
(iii) Cash and cash equivalents	11.01	26.09	12.96	28.91
(iv) Bank balance other than (iii) above	7.03	13.44	7.03	13.44
(v) Loans	0.38	0.51	0.38	0.51
(vi) Others financial assets	65.70	38.97	65.70	38.97
(c) Assets held for sale	0.25	-	0.25	-
(d) Current tax assets (net)	1.41	6.24	1.34	6.22
(e) Other current assets	135.09	110.82	135.10	110.85
<b>Sub-total - Current assets</b>	<b>1,633.47</b>	<b>1,347.10</b>	<b>1,635.65</b>	<b>1,348.82</b>
<b>TOTAL - ASSETS</b>	<b>2,169.57</b>	<b>1,969.54</b>	<b>2,170.33</b>	<b>1,969.89</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	979.20	806.15	979.57	806.25
(iv) Reserves representing unrealised gains/ losses	-	-	0.09	0.07
<b>Sub-total - Equity</b>	<b>1,616.71</b>	<b>1,443.66</b>	<b>1,617.17</b>	<b>1,443.83</b>
<b>LIABILITIES</b>				
<b>I. Non-current liabilities</b>				
(a) Financial liabilities				
Other financial liabilities	17.92	17.40	17.92	17.40
(b) Long-term provisions	31.50	22.90	31.50	22.91
(c) Deferred tax liabilities (net)	11.67	12.96	11.69	12.97
(d) Other non-current liabilities	5.27	1.80	5.27	1.80
<b>Sub-total - Non-current liabilities</b>	<b>66.36</b>	<b>55.06</b>	<b>66.38</b>	<b>55.08</b>
<b>II. Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	12.45	7.17	12.45	7.17
(ii) Trade and other payables	354.98	346.13	354.87	346.28
(iii) Other financial liabilities	52.11	44.89	52.10	44.90
(b) Other current liabilities	18.07	22.90	18.47	22.90
(c) Short-term provisions	48.04	48.88	48.04	48.88
(d) Government grants	0.85	0.85	0.85	0.85
<b>Sub-total - Current liabilities</b>	<b>486.50</b>	<b>470.82</b>	<b>486.78</b>	<b>470.98</b>
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>2,169.57</b>	<b>1,969.54</b>	<b>2,170.33</b>	<b>1,969.89</b>



2 The financial results of the Company are prepared in accordance with Indian Accounting Standards (Ind-AS) subsequent to its adoption with the transition date of 1 April 2015 pursuant to Ministry of Corporate affairs notification under Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standard) (Amendment) Rules, 2016. Accordingly, these financial results have been prepared in accordance with the recognition and measurement principles in Ind-AS prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and in terms of Regulation 33 of SEBI (Listing Regulation & Disclosure Requirement) Regulations, 2015 and SEBI Circular no. CIR/CFD/FAC/62/2016, dated 5 July 2016. The figures for the quarter ended and year ended 31 March 2016 prepared under the earlier Indian GAAP have been restated in accordance with Ind-AS.

3 Reconciliation of net profit under Ind-AS and reported under previous Indian GAAP (IGAAP) are summarized as follows :

Particulars	( ₹ in Crores )		
	Standalone		Consolidated
	Quarter ended	Year ended	Year ended
	31-03-2016	31-03-2016	31-03-2016
	Audited	Audited	Audited
<b>Net Profit under IGAAP (after Tax)</b>			
Recognition of Government grant as operating income	47.15	140.53	140.63
Fair value gain/(losses) on financial instruments	10.20	32.13	32.13
Net impact of fair valuation of interest free deposits	1.12	(0.60)	(0.60)
Deferment of revenue for sale of extended warranty	(0.02)	(0.02)	(0.02)
Reclassification of employee defined benefits obligations to Other Comprehensive Income	0.82	(3.83)	(3.83)
Others	(0.02)	0.16	0.16
Deferred tax in respect of above adjustments	0.48	0.47	0.48
<b>Net Profit under Ind-AS (after Tax)</b>	(1.34)	(3.53)	(3.53)
<b>Other Comprehensive Income (net of tax)</b>	<b>58.39</b>	<b>165.31</b>	<b>165.42</b>
<b>Total Comprehensive Income after Tax as per Ind-AS</b>	<b>0.01</b>	<b>(0.10)</b>	<b>(0.03)</b>
	<b>58.40</b>	<b>165.21</b>	<b>165.39</b>

4 Reconciliation of Equity under Ind-AS and reported under previous Indian GAAP (IGAAP) are summarized as follows :

Particulars	( ₹ in Crores )	
	Standalone	Consolidated
	Other Equity	Other Equity
<b>Equity as on 31 March 2016 as per IGAAP</b>		
Fair value gain/(losses) on financial instruments	1,410.83	1,411.00
Net impact of fair valuation of interest free deposits	3.61	3.61
Recognition of Government grant as operating income	(0.05)	(0.05)
Deferment of revenue for sale of extended warranty	0.52	0.52
Others	(3.83)	(3.83)
Deferred tax in respect of above adjustments	(1.04)	(1.04)
<b>Equity as on 31 March 2016 as per Ind-AS</b>	<b>4.70</b>	<b>4.70</b>
	<b>1,414.74</b>	<b>1,414.91</b>

5 The Company operates in single reportable segment namely 'Engines'.

6 The figures for the quarter ended 31 March 2017 are balancing figures between audited figures in respect of full financial year ended 31 March 2017 and the published year to date figures upto the third quarter ended 31 December 2016, which have been regrouped / rearranged wherever necessary.

7 The Board of Directors has recommended a final dividend of ₹ 5 per equity share having face value of ₹ 2 each ( 250%).

8 The results for the quarter and year ended 31 March 2017 are reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 10 May 2017.

Registered Office:

Laxmanrao Kirloskar Road,  
Khadki, Pune - 411 003

Place : Pune

Date : 10 May 2017

For Kirloskar Oil Engines Limited

*Nihal G. Kulkarni*

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, 2017, 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(s). 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, 2017.

The quarterly standalone financial results are the derived figures between the audited figures in respect of the year ended March 31, 2017 and the published year-to-date figures up to December 31, 2016, 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: 10<sup>th</sup> May, 2017



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

CHARTERED ACCOUNTANTS

HEAD OFFICE

Suites 101 - 102, 'Orchard',  
Dr. Pai Marg, Baner,  
Pune - 411045.

Tel.: 020 - 27290771, 27291772, 27291773

Email : pgb@pgbhagwatca.com

Web : www.pgbhagwatca.com

**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 ("the holding company") and its subsidiary KOEL Americas Corporation ("the subsidiary"), the Holding Company and its subsidiary together referred to as "the Group", for the year ended 31<sup>st</sup> March 2017 ("the statement"), 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 No CIR/CFD/FAC/62/2016 dated July 5 2016.

This statement which is the responsibility of holding company's management and approved by 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(s). 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 statement of a subsidiary whose financial statement reflect total assets of Rs 3.68 Crores as at 31<sup>st</sup> March, 2017, total revenues of Rs. 10.71 Crores and net cash flows amounting to Rs. 0.87 Crores for the year ended on that date, as considered in the consolidated financial statements. This financial statement is unaudited and has 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 statement. In our opinion and according to the information and explanations given to us by the Management, this financial statement is not material to the Group.





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

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

- (i) include the financial result of KOEL Americas Corporation.
- (ii) is 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 consolidated net profit, other comprehensive income and other financial information for the quarter and year ended March 31, 2017.

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

Chartered Accountants

Firm Registration Number 101118W



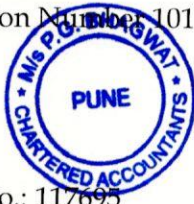
Nachiket Deo

Partner

Membership No.: 117695

Pune

Date: 10<sup>th</sup> May, 2017





# KIRLOSKAR OIL ENGINES LIMITED

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## FORM A

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

1	Name of the Company	Kirloskar Oil Engines Limited
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March 2017 ( <b>Standalone</b> )
3	Type of Audit observation	Unqualified
4	Frequency of Observation	Auditor has issued unqualified Audit Report from 1 <sup>st</sup> Financial Year of the Company i.e. for the period ended 31 March 2010

For Kirloskar Oil Engines Limited

Nihal G. Kulkarni  
Managing Director



For M/s. P. G. Bhagwat  
Chartered Accountants  
Firm Registration No. 101118W



For Kirloskar Oil Engines Limited

T. Vinodkumar  
Chief Financial Officer

Nachiket Deo  
Partner  
Membership No. 117695

Pune : 10 May 2017

For Kirloskar Oil Engines Limited

R. Srinivasan  
Chairman of Audit Committee

Pune : 10 May 2017



# KIRLOSKAR OIL ENGINES LIMITED

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## FORM A

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

1	Name of the Company	Kirloskar Oil Engines Limited
2	Annual Financial Statements for the year ended	31 <sup>st</sup> March 2017 ( <b>Consolidated</b> )
3	Type of Audit observation	Unqualified
4	Frequency of Observation	Auditor has issued unqualified Audit Report from 1 <sup>st</sup> Financial Year of the Company i.e. for the period ended 31 March 2010

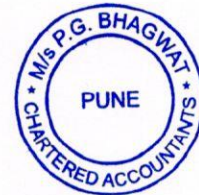
For Kirloskar Oil Engines Limited

Nihal G. Kulkarni  
Managing Director



For M/s. P. G. Bhagwat  
Chartered Accountants  
Firm Registration No. 101118W

Nachiket Deo  
Partner  
Membership No. 117695



For Kirloskar Oil Engines Limited

T. Vinodkumar  
Chief Financial Officer

Pune : 10 May 2017

For Kirloskar Oil Engines Limited

R. Srinivasan  
Chairman of Audit Committee

Pune : 10 May 2017