



KIRLOSKAR OIL ENGINES LIMITED

Enriching Lives

25 January 2012

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

Ref: Stock Code KIRLOSENG

Dear Sir/Madam,

This is to inform you of the following:

1. Pursuant to Clause 41 of the Listing Agreement:

The un-audited financial results of the Company for the quarter and nine months ended 31 December 2011 were approved by the Board of Directors in its meeting held on 25 January 2012. A copy of the same is enclosed herewith. A copy of Limited Review Report dated 25 January 2012, received from M/s P. G. Bhagwat, Chartered Accountants, Statutory Auditors of the Company, is also enclosed herewith.

2. Pursuant to Clause 30 of the Listing Agreement:

- i. Mr. Atul C. Kirloskar, has resigned as Managing Director of the Company with effect from the close of working hours of 25 January 2012. He has been appointed as Executive Chairman of the Company with effect from 26 January 2012 for a period of 5 years. His appointment is subject to the approval of the members in the Annual General Meeting.
- ii. Mr. Gautam A. Kulkarni, has resigned as Joint Managing Director of the Company with effect from the close of working hours of 25 January 2012. He has been appointed as Executive Vice Chairman of the Company with effect from 26 January 2012 for a period of 5 years. His appointment is subject to the approval of the members in the Annual General Meeting.
- iii. Mr. Nihal G. Kulkarni, Non Executive Director of the Company, has been appointed as Managing Director of the Company with effect from 26 January 2012 for a period of 5 years. His appointment is subject to the approval of the members in the Annual General Meeting.



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3. Pursuant to Clause 20 of the Listing Agreement:

The Board of Directors in its meeting held on 25 January 2012, has approved a buy back of fully paid up equity shares of the Company by way of open market through stock exchange route at a maximum price of Rs. 170/- and the buyback amount not exceeding Rs. 73.63 Crores shares which represents 10% of total paid up capital and free reserves as per latest audited balance sheet as on 31 March 2011.

You are requested to take note of the above.

Thanking you,

Yours faithfully,
For Kirloskar Oil Engines Limited

Smita Raichurkar
Asst. Company Secretary

Encl.: As above.

Board of Directors,
Kirloskar Oil Engines Ltd.
Laxmanrao Kirloskar Road,
Khadki, Pune - 411 003

REVIEW REPORT

We have reviewed the accompanying statement of unaudited financial results of **Kirloskar Oil Engines Ltd.** for the period ended **31st December 2011** except for the disclosures regarding 'Public Shareholding' and 'Promoter and Promoter Group Shareholding' which have been traced from disclosures made by the management and have not been audited by us. This statement is the responsibility of the Company's Management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2410, Review of Interim Financial Information performed by the Independent Auditor of the Entity issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Clause 41 of the Listing Agreement including the manner in which it is to be disclosed, or that it contains any material misstatement.

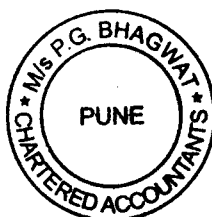
For M/s. P. G. Bhagwat
Chartered Accountants
F.R. No - 101118W



Nachiket Deo
Partner

M.No. 117695

Pune: 25th January 2012



KIRLOSKAR OIL ENGINES LIMITED

UN-AUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED 31ST DECEMBER 2011

(₹ in Lakhs)

Particulars		Quarter ended			Nine months ended		Year ended
		31-12-2011	30-09-2011	31-12-2010	31-12-2011	31-12-2010	31-03-2011
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	a) Net Sales	58,590	56,136	57,575	170,240	176,741	236,419
	b) Other Operating Income	918	1,688	1,278	3,693	3,389	5,279
2	Total Operating Income	59,508	57,824	58,853	173,933	180,130	241,698
3	Expenditure						
	a) (Increase) / decrease in stock in trade and work in progress	(645)	2,335	19	(1,002)	(1,221)	(316)
	b) Consumption of raw materials	35,267	28,921	32,982	96,601	101,425	133,857
	c) Purchase of traded goods	2,630	2,593	2,170	7,681	6,687	9,023
	d) Employees cost	4,148	4,704	4,485	13,633	13,289	17,892
	e) Depreciation	2,431	2,422	2,253	7,083	6,362	8,485
	f) Other Expenditure	10,992	12,054	11,600	34,070	34,410	47,373
	g) Total Expenditure (a to f)	54,823	53,029	53,509	158,066	160,952	216,314
4	Profit from Operations before Other Income, Interest and Exceptional Items (2-3)	4,685	4,795	5,344	15,867	19,178	25,384
5	Other Income	991	669	393	2,271	1,120	1,839
6	Profit before Interest and Exceptional Items (4+5)	5,676	5,464	5,737	18,138	20,298	27,223
7	Interest	589	674	567	1,855	1,958	2,456
8	Profit after Interest but before Exceptional Items (6-7)	5,087	4,790	5,170	16,283	18,340	24,767
9	Exceptional Items - (Expenses) / Income (Refer note 1)	-	4,415	310	4,415	(584)	(373)
10	Profit(+) / Loss(-) from Ordinary Activities before tax (8+9)	5,087	9,205	5,480	20,698	17,756	24,394
11	Tax Expenses	1,594	3,525	1,548	7,179	5,146	7,021
12	Net Profit (+)/ Loss (-) from Ordinary Activities after tax (10-11)	3,493	5,680	3,932	13,519	12,610	17,373
13	Extraordinary Items (net of tax expense)	-	-	-	-	-	-
14	Net Profit(+)/ Loss(-) for the period (12-13)	3,493	5,680	3,932	13,519	12,610	17,373
15	Paid-up Equity Share Capital (Face value of ₹ 2 each)	2,913	2,913	2,913	2,913	2,913	2,913
16	Reserves excluding revaluation reserves as per balance sheet of previous accounting year						86,028
17	Basic and diluted EPS (₹) Before and After Extraordinary items for the period, for the year to date and for the previous year (not annualized)	2.40	3.90	2.70	9.28	8.66	11.93
18	Public Shareholding						
	- Number of Shares	48,213,051	54,761,181	54,799,248	48,213,051	54,799,248	54,796,438
	- Percentage of shareholding	33.11	37.60	37.63	33.11	37.63	37.63
19	Promoters and promoter group Shareholding						
	a) Pledged / Encumbered						
	- Number of Shares (Refer note 5)	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	NIL	NIL	NIL	NIL	NIL	NIL
	- Percentage of shares (as a % of the total share capital of the company)	NIL	NIL	NIL	NIL	NIL	NIL
	b) Non-encumbered						
	- Number of Shares	97,416,234	90,868,104	90,830,037	97,416,234	90,830,037	90,832,847
	- Percentage of shares (as a % of the total shareholding of promoter and promoter group)	100.00	100.00	100.00	100.00	100.00	100.00
	- Percentage of shares (as a % of the total share capital of the company)	66.89	62.40	62.37	66.89	62.37	62.37



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Notes :

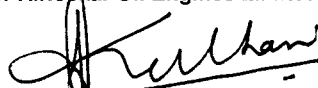
- 1 Pursuant to Business Transfer Agreement (BTA) dated 20th May 2011 between the Company and KSPG Automotive India Private Limited, the purchase consideration of ₹ 8700 Lakhs was received on 29th September 2011 and the slump sale of Bearings Business Division was completed on 30th September 2011. Accordingly, the profit on sale of undertaking amounting to ₹ 4415 Lakhs is reported in the results of the quarter ended 30th September 2011. The profit on sale of undertaking is subject to change on account of certain post closing adjustments to be carried out in accordance with the terms of the aforesaid BTA and the same will be determined and reported in the fourth quarter of financial year ending 31st March 2012
- 2 With effect from 24th May 2011, the Company has become a subsidiary company of Kirloskar Brothers Investments Limited (KBIL), considering total holding of KBIL along with holding of Pooja Credits Private Limited (PCPL), a wholly owned subsidiary of KBIL, as per Section 4(3)(b)(ii) read with Section 4(3)(d) of the Companies Act, 1956.
Further, 1,27,51,567 equity shares of PCPL are transferred to KBIL pursuant to Scheme of Amalgamation between PCPL and KBIL duly approved by Hon'ble High Court, Bombay vide its order dated 18th November 2011 (effective from 5th December 2011). Accordingly, KBIL holds 7,59,64,859 (52.17%) equity shares in the Company as on 30th December 2011. Consequently, the Company has now become a subsidiary of KBIL as per Section 4(3)(b)(ii) of the Companies Act, 1956.
- 3 The company has exercised the option as per Ministry of Corporate Affairs notification dated 31st March 2009 in respect of AS 11. In view of extension of applicability of the said notification vide G.S.R. 378(E) dated 11st May 2011, for the nine months ₹ 3484 Lakhs being eligible exchange difference loss has been adjusted in the cost of the assets.
- 4 Figures for the previous periods have been regrouped wherever required. Figures for the quarter and nine months ended 31st December 2011 are not comparable with those of the corresponding periods of the previous year in view of sale of Bearings Business Division w.e.f. 1st October 2011.
- 5 Mr. Atul C. Kirloskar, Mr. Gautam A. Kulkarni and Mr. Rahul C. Kirloskar had pledged 1,420,000 (0.73%), 600,000 (0.31%) and 1,370,000 (0.71%) equity shares of Kirloskar Industries Limited (erstwhile Kirloskar Oil Engines Limited) respectively prior to becoming effective of the Scheme of Arrangement. On the issue and allotment of shares pursuant to the said Scheme, the pledged shares of the aforesaid promoters of the Company are 1,065,000 (0.73%), 450,000 (0.31%) and 1,027,500 (0.71%) respectively. The pledge on these shares was revoked on 29th December 2010.
- 6 The Board of Directors in its meeting held on 25th January 2012 has approved a buyback of fully paid up equity shares of the Company by way of open market through stock exchange route at a maximum price of ₹ 170 and the buyback amount not exceeding ₹ 7362.5 Lakhs which represents 10% of total paid up capital and free reserves as per the latest audited balance sheet as on 31st March 2011
- 7 No complaints received from investors during the current quarter. No complaint is pending at the quarter end.
- 8 The above results are reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 25th January 2012 and are subjected to a " Limited Review " by the Statutory Auditors.

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

Place : Pune

Date : 25th January, 2012

For Kirloskar Oil Engines Limited



Gautam A. Kulkarni

Joint Managing Director



KIRLOSKAR OIL ENGINES LIMITED

**SEGMENT WISE REVENUE, RESULTS AND CAPITAL EMPLOYED,
AS PER CLAUSE 41 OF THE LISTING AGREEMENT**

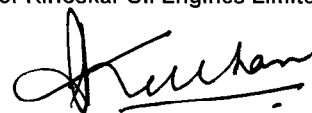
(₹ in Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	31-12-2011	30-09-2011	31-12-2010	31-12-2011	31-12-2010	31-03-2011
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 Segment Revenue						
a Engines	59,275	54,060	55,477	1,66,778	1,70,390	2,28,216
b Others	233	4,114	3,733	7,971	10,918	15,038
Total	59,508	58,174	59,210	1,74,749	1,81,308	2,43,254
Less: Inter segment revenue	-	350	357	816	1,178	1,556
Net Sales / Income from Operations	59,508	57,824	58,853	1,73,933	1,80,130	2,41,698
2 Segment Results						
Profit (+) / Loss (-) before tax and interest from each segment						
a Engines	5,246	5,505	5,803	17,442	18,339	25,261
b Others	(0)	(223)	351	(35)	1,184	1,426
Total	5,246	5,282	6,154	17,407	19,523	26,687
Less:						
i Interest	589	674	567	1,855	1,958	2,456
ii Other Unallocable expenditure net off unallocable income	(430)	(4,597)	107	(5,146)	(191)	(163)
Total Profit Before Tax	5,087	9,205	5,480	20,698	17,756	24,394
3 Capital Employed (Segment assets - Segment liabilities)						
a Engines	80,201	84,231	86,859	80,201	86,859	82,704
b Others	52,379	46,818	30,447	52,379	30,447	34,369
Total capital employed	1,32,580	1,31,049	1,17,306	1,32,580	1,17,306	1,17,073

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Laxmanrao Kirloskar Road,
Khadki, Pune - 411 003

Place: Pune
Date: 25th January, 2012

For Kirloskar Oil Engines Limited



Gautam A. Kulkarni
Joint Managing Director

