



KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

Enriching Lives

Date: 18 May 2016

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
1st 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 2016 and the Consolidated audited financial results of the Company for the year ended 31 March 2016 which were approved by the Board of Directors in its meeting held on 18 May 2016;
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 and
3. Form A (for audit report with unmodified opinion) – Standalone and Consolidated

You are requested to take the same on your record.

Thanking you,

Yours faithfully,
For Kirloskar Oil Engines Limited

S. H. Raichurkar

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 2016

PART I		(₹ in Crores)					
Particulars		Standalone					Consolidated
		Quarter ended			Year ended		Year ended
		31-03-2016	31-12-2015	31-03-2015	31-03-2016	31-03-2015	31-03-2016
		Audited	Unaudited	Audited	Audited	Audited	Audited
1	Income from operations						
	a) Net sales/income from operations (Net of excise duty)	662.65	595.00	617.30	2,419.01	2,473.30	2,419.68
	b) Other operating Income	21.34	5.46	11.06	35.68	33.84	35.68
	Total income from operations (net)	683.99	600.46	628.36	2,454.69	2,507.14	2,455.36
2	Expenses						
	a) Cost of materials consumed	322.83	313.09	305.44	1,239.73	1,269.13	1,239.73
	b) Purchases of stock-in-trade	87.08	79.76	89.73	321.34	362.92	321.34
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	9.21	(9.69)	10.41	(18.02)	(6.35)	(18.02)
	d) Employee benefits expense	36.84	50.92	44.39	185.55	188.40	185.65
	e) Depreciation and amortisation expense	31.68	27.02	26.22	111.50	101.90	111.51
	f) Other expenses	138.04	117.46	127.09	486.36	444.46	486.80
	g) Total expenses (a to f)	625.68	578.56	603.28	2,326.46	2,360.46	2,327.01
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	58.31	21.90	25.08	128.23	146.68	128.35
4	Other income	16.84	18.45	16.75	73.97	58.95	73.97
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	75.15	40.35	41.83	202.20	205.63	202.32
6	Finance costs	0.01	0.01	0.01	0.06	0.20	0.06
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	75.14	40.34	41.82	202.14	205.43	202.26
8	Exceptional items - (Expenses) / Income (Refer note 3 and 5)	(15.10)	(10.38)	-	(25.48)	-	(25.48)
9	Profit / (Loss) from ordinary activities before tax (7 + 8)	60.04	29.96	41.82	176.66	205.43	176.78
10	Tax expense (Refer note 6)	12.89	8.20	15.38	36.13	62.29	36.15
11	Net Profit / (Loss) from ordinary activities after tax (9 - 10)	47.15	21.76	26.44	140.53	143.14	140.63
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	Net Profit / (Loss) for the period (11 + 12)	47.15	21.76	26.44	140.53	143.14	140.63
14	Paid-up equity share capital (Face value of ₹ 2 each)	28.92	28.92	28.92	28.92	28.92	28.92
15	Reserves excluding revaluation reserves as per balance sheet of previous accounting year				1,410.83	1,312.52	1,411.00
16	Basic and diluted EPS (₹) (Face value of ₹ 2 each) (Before and After Extraordinary items [not annualized])	3.26	1.50	1.83	9.72	9.90	9.72

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Notes :

- 1 Disclosure of standalone and consolidated statement of assets and liabilities as per clause 41 (I) (ea) of the listing agreement for the year ended 31st March 2016

Particulars	(₹ in Crores)		
	Standalone		Consolidated
	As at	As at	As at
	31-03-2016	31-03-2015	31-03-2016
	Audited	Audited	Audited
A. EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital			
(b) Reserves and surplus	28.92	28.92	28.92
	1,410.83	1,312.52	1,411.00
Sub-total - Shareholders' funds	1,439.75	1,341.44	1,439.92
2. Non-current liabilities			
(a) Long-term borrowings	-	-	-
(b) Deferred tax liabilities (net)	-	-	-
(c) Other long-term liabilities	17.67	28.89	17.67
(d) Long-term provisions	17.94	16.84	17.94
	22.90	24.46	22.90
Sub-total - Non-current liabilities	58.51	70.19	58.51
3. Current liabilities			
(a) Short-term borrowings	-	-	-
(b) Trade payables	-	-	-
(c) Other current liabilities	331.52	337.58	331.54
(d) Short-term provisions	95.29	65.94	95.43
	33.42	117.25	33.44
Sub-total - Current liabilities	460.23	520.77	460.41
TOTAL - EQUITY AND LIABILITIES	1,958.49	1,932.40	1,958.84
B. ASSETS			
1. Non-current assets			
(a) Fixed assets			
(b) Non-current investments	506.24	534.91	506.44
(c) Long-term loans and advances	3.59	5.25	2.00
(d) Other non-current assets	103.28	108.40	103.30
	12.22	31.98	12.22
Sub-total - Non-current assets	625.33	680.54	623.96
2. Current assets			
(a) Current investments			
(b) Inventories	783.14	871.06	783.14
(c) Trade receivables	202.86	171.60	202.86
(d) Cash and cash equivalents	152.16	52.62	151.06
(e) Short term loans and advances	39.53	25.26	42.35
(f) Other current assets	118.17	100.23	118.17
	37.30	31.09	37.30
Sub-total - Current assets	1,333.16	1,251.86	1,334.88
TOTAL - ASSETS	1,958.49	1,932.40	1,958.84

- 2 The Company has invested USD 250,000 in "KOEL Americas Corp" (50 Shares of USD 5000 each), incorporated under State of Delaware laws, United States of America and based in Houston, Texas. With this, "KOEL Americas Corp" is 100% subsidiary of Kirloskar Oil Engines Limited, India with effect from 23 June 2015. Accordingly consolidated financial results includes results of Kirloskar Oil Engines Limited and KOEL Americas Corp, its subsidiary.

These consolidated financial statements are prepared in accordance with the principles and procedures as laid down under the Accounting Standards (AS) 21, "Consolidated Financial Statements".



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- 3 During the year, the Company has introduced Voluntary Retirement Scheme (VRS) for its workers. The total VRS compensation, amounting to ₹ 10.54 Crores is charged to the Statement of Profit and Loss and the same is shown as an Exceptional Item of expense
- 4 Pursuant to the Composite Scheme of Arrangement and Amalgamation, duly approved by the Hon'ble High Court of Judicature at Bombay vide its order dated 30 April 2015 ('the Composite Scheme'), the fractional entitlements arising out of the issue of shares were consolidated into 3,502 equity shares of ₹ 2 each. These shares were sold in the open market at an average price of ₹ 257.41. The Company has distributed the net sale proceeds (after deduction of the expenses incurred) to the eligible members on 12 February 2016, in proportion to their fractional entitlements, along with the final dividend for the FY 2014-15 received on the said consolidated equity shares.
- 5 Pursuant to the Composite Scheme, the Company has filed an application with Stamp Authorities, Mumbai for the purpose of adjudication of Stamp duty payable on the Scheme. The Company has received an adjudication order from Stamp Authorities, Mumbai on 2nd May, 2016 to pay the stamp duty within the time prescribed in the order. Accordingly, provision for requisite Stamp duty of ₹ 14.94 Crores is made and same is disclosed as an Exceptional Item of expense.
- 6 Pursuant to the Composite Scheme, an unutilized MAT Credit of Rs.22.19 Crs of Transferor Company is available to the Company. The same has been recognized and fully utilized during the financial year.
- 7 The Company operates in single reportable segment namely 'Engines', for the purpose of Accounting Standard 17 on "Segment Reporting"
- 8 The figures for the quarter ended 31 March 2016 are balancing figures between audited figures in respect of full financial year ended 31 March 2016 and the published year to date figures upto the third quarter ended 31 December 2015, which have been regrouped / rearranged wherever necessary.
- 9 The Board of Directors in its meeting held on 9 March 2016 declared an Interim Dividend of ₹ 5/- per equity share of ₹ 2/- each (i.e. 250%) for the Financial Year 2015-16. The Interim Dividend has been paid to the eligible members on 29 March 2016 and the same is treated as Final Dividend by the Board of Directors.
- 10 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 18 May 2016.

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

Place : Pune
Date : 18 May 2016

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 standalone quarterly financial results of **Kirloskar Oil Engines Limited** for the quarter ended March 16 and the year to date results for the period 1st April 2015 to 31st March 2016, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These quarterly financial results are derived figures between the audited figures in respect of the year ended March 31 2016 and the publish year to date figures upto December 31, 2015 being the date of the end of third quarter of the current financial year which were subjected to limited review. This statement which is the responsibility of Company's management and approved by the board of directors has been prepared on the basis of related financial statements which is in accordance with the accounting standards 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.

We conducted our audit in accordance with the auditing standards generally accepted in 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.



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 these quarterly 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 in this regard; and

(ii) give a true and fair view of the net profit and other financial information for the quarter ended March 2016 as well as the year to date results for the period from 1st April 2015 to 31st March 2016

FOR M/S P. G. BHAGWAT

Chartered Accountants

Firm Registration Number: 101118W



Nachiket Deo

Partner

Membership No.: 117695

Pune

Date: 18th May, 2016



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 31st March 2016 ("the statement"), being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This statement which is the responsibility of holding company's management and approved by board of directors has been prepared on the basis of related consolidated financial statement which is in accordance with the accounting standards 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.

We conducted our audit in accordance with the auditing standards generally accepted in 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.3.45 Crores as at 31st March, 2016, total revenues of Rs.3.36 Crores and net cash flows amounting to Rs.2.82 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



M/s P. G. BHAGWAT

CHARTERED ACCOUNTANTS

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.

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 in this regard; and
- (iii) give a true and fair view of the consolidated net profit and other financial information for the year ended 31st March 2016

FOR M/S P. G. BHAGWAT

Chartered Accountants

Firm Registration Number 101118W



Nachiket Deo

Partner

Membership No.: 117695

Pune

Date: 18th May, 2016





KIRLOSKAR OIL ENGINES LIMITED

A Kirloskar Group Company

Enriching Lives

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 st March 2016 (Standalone)
3	Type of Audit observation	Unqualified
4	Frequency of Observation	Auditor has issued unqualified Audit Report from 1 st 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 : 18 May 2016

For Kirloskar Oil Engines Limited

R. Srinivasan
Chairman of Audit Committee

Pune : 18 May 2016



KIRLOSKAR OIL ENGINES LIMITED
A Kirloskar Group Company

Enriching Lives

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 st March 2016 (Consolidated)
3	Type of Audit observation	Unqualified
4	Frequency of Observation	Auditor has issued unqualified Audit Report from 1 st 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 : 18 May 2016

For Kirloskar Oil Engines Limited

R. Srinivasan
Chairman of Audit Committee

Pune : 18 May 2016