



## KIRLOSKAR OIL ENGINES LIMITED

Enriching Lives

17 October 2014

The Manager,  
Listing Department,  
National Stock Exchange of India Limited,  
Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G Block,  
Bandra-Kurla Complex  
Bandra (E), Mumbai – 400051

**Ref: Stock Code KIRLOSENG**

Dear Sir/Madam,

This is to inform you that pursuant to Clause 41 of the Listing Agreement the un-audited financial results of the Company for the quarter and half year ended 30 September 2014 were taken on record by the Board of Directors in its meeting held on 17 October 2014. A copy of the same is enclosed herewith. A copy of Limited Review Report dated 17 October 2014, received from M/s. P. G. Bhagwat, Chartered Accountants, Statutory auditors of the Company is also enclosed herewith.

You are requested to take the same on your record.

Thanking you,

Yours faithfully,  
For Kirloskar Oil Engines Limited

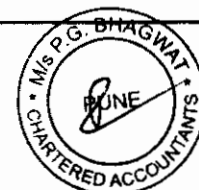
Smita Raichurkar  
Asst. Company Secretary

Encl: As above.

## KIRLOSKAR OIL ENGINES LIMITED

## STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER 2014

| PART I      |                                                                                                   | ( ₹ in Lakhs )            |             |             |                 |             |             |
|-------------|---------------------------------------------------------------------------------------------------|---------------------------|-------------|-------------|-----------------|-------------|-------------|
| Particulars |                                                                                                   | Quarter ended             |             |             | Half year ended |             | Year ended  |
|             |                                                                                                   | 30-09-2014                | 30-06-2014  | 30-09-2013  | 30-09-2014      | 30-09-2013  | 31-03-2014  |
|             |                                                                                                   | Unaudited                 | Unaudited   | Unaudited   | Unaudited       | Unaudited   | Audited     |
| 1           | Income from operations                                                                            |                           |             |             |                 |             |             |
|             | a) Net sales/income from operations (Net of excise duty)                                          | 62,251                    | 62,908      | 50,888      | 125,159         | 109,231     | 228,696     |
|             | b) Other operating Income                                                                         | 540                       | 1,001       | 845         | 1,541           | 1,586       | 3,304       |
|             | Total income from operations (net)                                                                | 62,791                    | 63,909      | 51,733      | 126,700         | 110,817     | 232,000     |
| 2           | Expenses                                                                                          |                           |             |             |                 |             |             |
|             | a) Cost of materials consumed                                                                     | 33,396                    | 31,348      | 30,870      | 64,744          | 65,281      | 125,579     |
|             | b) Purchases of stock-in-trade                                                                    | 8,814                     | 10,282      | 2,782       | 19,096          | 6,752       | 18,626      |
|             | c) Changes in inventories of finished goods, work-in-progress and stock-in-trade                  | (1,287)                   | (43)        | (2,069)     | (1,330)         | (4,192)     | 146         |
|             | d) Employee benefits expense                                                                      | 4,847                     | 4,579       | 4,343       | 9,426           | 8,464       | 16,258      |
|             | e) Depreciation and amortisation expense                                                          | 2,571                     | 2,438       | 2,448       | 5,009           | 4,901       | 9,831       |
|             | f) Other expenses                                                                                 | 10,643                    | 10,204      | 9,844       | 20,847          | 20,229      | 40,954      |
|             | g) Total expenses (a to f)                                                                        | 58,984                    | 58,808      | 48,218      | 117,792         | 101,435     | 211,394     |
| 3           | Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)    | 3,807                     | 5,101       | 3,515       | 8,908           | 9,382       | 20,606      |
| 4           | Other income                                                                                      | 1,214                     | 1,375       | 666         | 2,589           | 1,965       | 3,780       |
| 5           | Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)       | 5,021                     | 6,476       | 4,181       | 11,497          | 11,347      | 24,386      |
| 6           | Finance costs                                                                                     | 15                        | 9           | 15          | 24              | 27          | 42          |
| 7           | Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6) | 5,006                     | 6,467       | 4,166       | 11,473          | 11,320      | 24,344      |
| 8           | Exceptional items - (Expenses) / Income                                                           | -                         | -           | -           | -               | -           | -           |
| 9           | Profit / (Loss) from ordinary activities before tax (7 + 8)                                       | 5,006                     | 6,467       | 4,166       | 11,473          | 11,320      | 24,344      |
| 10          | Tax expense                                                                                       | 1,473                     | 1,739       | 1,099       | 3,212           | 2,964       | 6,499       |
| 11          | Net Profit / (Loss) from ordinary activities after tax (9 - 10)                                   | 3,533                     | 4,728       | 3,067       | 8,261           | 8,356       | 17,845      |
| 12          | Extraordinary items (net of tax expense)                                                          | -                         | -           | -           | -               | -           | -           |
| 13          | Net Profit / (Loss) for the period (11 + 12)                                                      | 3,533                     | 4,728       | 3,067       | 8,261           | 8,356       | 17,845      |
| 14          | Paid-up equity share capital (Face value of ₹ 2 each)                                             | 2,892                     | 2,892       | 2,892       | 2,892           | 2,892       | 2,892       |
| 15          | Reserves excluding revaluation reserves as per balance sheet of previous accounting year          |                           |             |             |                 |             | 123,831     |
| 16          | Basic and diluted EPS ( ₹ )                                                                       |                           |             |             |                 |             |             |
|             | Before and After Extraordinary items (not annualized)                                             | 2.44                      | 3.27        | 2.12        | 5.71            | 5.78        | 12.34       |
| PART II     |                                                                                                   |                           |             |             |                 |             |             |
| A           | PARTICULARS OF SHAREHOLDING                                                                       |                           |             |             |                 |             |             |
| 1           | Public shareholding                                                                               |                           |             |             |                 |             |             |
|             | - Number of shares                                                                                | 39,451,865                | 39,463,635  | 42,763,635  | 39,451,865      | 42,763,635  | 39,463,635  |
|             | - Percentage of shareholding                                                                      | 27.28                     | 27.29       | 29.57       | 27.28           | 29.57       | 27.29       |
| 2           | Promoters and promoter group shareholding                                                         |                           |             |             |                 |             |             |
|             | a) Pledged / encumbered                                                                           |                           |             |             |                 |             |             |
|             | - Number of shares                                                                                | 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                                                                                | 105,161,996               | 105,150,226 | 101,850,226 | 105,161,996     | 101,850,226 | 105,150,226 |
|             | - 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)                         | 72.72                     | 72.71       | 70.43       | 72.72           | 70.43       | 72.71       |
| Particulars |                                                                                                   | 3 months ended 30-09-2014 |             |             |                 |             |             |
| B           | INVESTOR COMPLAINTS                                                                               |                           |             |             |                 |             |             |
|             | Pending at the beginning of the quarter                                                           |                           |             | NIL         |                 |             |             |
|             | Received during the quarter                                                                       |                           |             | NIL         |                 |             |             |
|             | Disposed of during the quarter                                                                    |                           |             | NIL         |                 |             |             |
|             | Remaining unresolved at the end of the quarter                                                    |                           |             | NIL         |                 |             |             |



Contd...2

## Notes :

## 1 Disclosure of standalone statement of assets and liabilities as per clause 41 (i) (ea) of the listing agreement for the half year ended 30th September 2014

(₹ in Lakhs)

| Particulars                           | Half year ended | Year ended     |
|---------------------------------------|-----------------|----------------|
|                                       | 30-09-2014      | 31-03-2014     |
|                                       | Unaudited       | Audited        |
| <b>A. EQUITY AND LIABILITIES</b>      |                 |                |
| <b>1. Shareholders' funds</b>         |                 |                |
| (a) Share capital                     | 2,892           | 2,892          |
| (b) Reserves and surplus              | 132,412         | 123,831        |
| Sub-total - Shareholders' funds       | 135,304         | 126,723        |
| <b>2. Non-current liabilities</b>     |                 |                |
| (a) Long-term borrowings              | -               | -              |
| (b) Deferred tax liabilities (net)    | 3,122           | 3,027          |
| (c) Other long-term liabilities       | 1,543           | 1,307          |
| (d) Long-term provisions              | 2,215           | 2,464          |
| Sub-total - Non-current liabilities   | 6,880           | 6,798          |
| <b>3. Current liabilities</b>         |                 |                |
| (a) Short-term borrowings             | -               | -              |
| (b) Trade payables                    | 32,311          | 31,243         |
| (c) Other current liabilities         | 10,223          | 10,152         |
| (d) Short-term provisions             | 2,257           | 10,182         |
| Sub-total - Current liabilities       | 44,791          | 51,577         |
| <b>TOTAL - EQUITY AND LIABILITIES</b> | <b>186,975</b>  | <b>185,098</b> |
| <b>B. ASSETS</b>                      |                 |                |
| <b>1. Non-current assets</b>          |                 |                |
| (a) Fixed assets                      | 54,733          | 58,498         |
| (b) Non-current investments           | 567             | 1,000          |
| (c) Long-term loans and advances      | 10,309          | 9,566          |
| (d) Other non-current assets          | 2,113           | 2,904          |
| Sub-total - Non-current assets        | 67,722          | 71,968         |
| <b>2. Current assets</b>              |                 |                |
| (a) Current investments               | 69,916          | 59,771         |
| (b) Inventories                       | 21,410          | 16,682         |
| (c) Trade receivables                 | 11,576          | 17,736         |
| (d) Cash and bank balances            | 2,588           | 5,243          |
| (e) Short term loans and advances     | 10,710          | 10,172         |
| (f) Other current assets              | 3,053           | 3,526          |
| Sub-total - Current assets            | 119,253         | 113,130        |
| <b>TOTAL - ASSETS</b>                 | <b>186,975</b>  | <b>185,098</b> |

- 2 Pursuant to the enactment of the Companies Act, 2013 ("The Act") the Company has, effective 1 April 2014, reworked depreciation on the basis of useful life of fixed assets as per the provisions of the Act and subsequent notifications/circulars. Consequentially, the carrying value of assets whose life has been completed, as at 1 April 2014 has been adjusted to the General Reserve and in other cases the same has been depreciated over the remaining revised life of the assets. As a result, depreciation charge is lower by Rs 60 Lakhs for the half year ended 30 September 2014.
- 3 The Board of Directors in its meeting held on 2 September 2014, had approved the Composite Scheme of Arrangement and Amalgamation between Kirloskar Brothers Investments Limited (KBIL - Transferor Company), Pneumatic Holdings Limited (PHL - Resulting Company) and Kirloskar Oil Engines Limited (KOEL - Transferee Company) and their respective shareholders and creditors under Section 391 to 394 and other relevant Sections of the Companies Act, 1956, and relevant Section of the Companies Act, 2013, to the extent applicable. The said scheme is subject to approval of Stock Exchanges, the Company's Shareholders, Creditors, Hon'ble High Court of Bombay and the necessary approvals under various statutes. The Company has filed the Scheme with the BSE Limited and National Stock Exchange of India Limited for in-principle approval. The details of the scheme are available on the website of the Company and Stock Exchanges.
- 4 The Company operates in single reportable segment namely Engines, for the purpose of Accounting Standard 17 on "Segment Reporting"
- 5 The figures for the previous periods have been regrouped wherever required to make them comparable with those of the current period.
- 6 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 17 October 2014 and are subjected to a "Limited Review" by the Statutory Auditors.

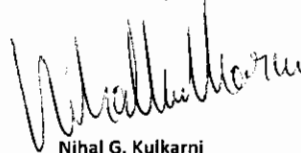
## Registered Office:

Laxmanrao Kirloskar Road,  
Khadki, Pune - 411 003

Place : Pune

Date : 17th October, 2014

For Kirloskar Oil Engines Limited



Nihal G. Kulkarni

Managing Director



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 **30<sup>th</sup> September, 2014** 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  
Firm Registration Number : 101118W



Nachiket Deo  
Partner  
Membership Number : 117695  
Pune: 17<sup>th</sup> October , 2014

