

KIRLOSKAR OIL ENGINES LIMITED

STATEMENT OF STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED 30TH SEPTEMBER 2016

PART I		(₹ in Crores)					
		Quarter ended			Half year ended		Year ended
		30-09-2016	30-06-2016	30-09-2015	30-09-2016	30-09-2015	31-03-2016
Particulars		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited
1	Income from operations						
	a) Sales/income from operations	701.01	702.41	619.45	1,403.42	1,238.29	2,586.77
	b) Other operating Income	13.15	13.36	11.77	26.51	22.19	67.02
	Total income from operations	714.16	715.77	631.22	1,429.93	1,260.48	2,653.79
2	Expenses						
	a) Cost of materials consumed	354.12	323.22	305.52	677.34	603.23	1,238.95
	b) Purchases of stock-in-trade	84.51	90.28	74.68	174.79	154.50	321.34
	c) Changes in inventories of finished goods, work-in-progress and stock-in-trade	(21.98)	10.75	(13.07)	(11.23)	(17.53)	(18.02)
	d) Employee benefits expense	50.66	49.37	50.14	100.03	97.67	185.40
	e) Depreciation and amortisation expense	27.40	27.56	26.71	54.96	52.80	111.51
	f) Excise duty expense	50.88	51.16	42.86	102.04	86.81	180.98
	g) Other expenses	122.00	109.29	119.10	231.29	221.07	468.69
	h) Total expenses (a to g)	667.59	661.63	605.94	1,329.22	1,198.55	2,488.85
3	Profit / (Loss) from operations before other income, finance costs and exceptional items (1-2)	46.57	54.14	25.28	100.71	61.93	164.94
4	Other income	17.89	28.37	19.33	46.26	38.51	74.35
5	Profit / (Loss) from ordinary activities before finance costs and exceptional items (3 + 4)	64.46	82.51	44.61	146.97	100.44	239.29
6	Finance costs	0.72	0.68	2.23	1.40	5.86	9.03
7	Profit / (Loss) from ordinary activities after finance costs but before exceptional items (5 - 6)	63.74	81.83	42.38	145.57	94.58	230.26
8	Exceptional items - (Expenses) / Income	-	-	-	-	-	(25.48)
9	Profit / (Loss) from ordinary activities before tax (7 + 8)	63.74	81.83	42.38	145.57	94.58	204.78
10	Tax expense	21.16	23.08	6.03	44.24	16.43	39.66
11	Net Profit / (Loss) from ordinary activities after tax (9 - 10)	42.58	58.75	36.35	101.33	78.15	165.12
12	Extraordinary items (net of tax expense)	-	-	-	-	-	-
13	Net Profit / (Loss) for the period (11 + 12)	42.58	58.75	36.35	101.33	78.15	165.12
14	Other Comprehensive Income (net of tax)	(0.30)	(0.19)	(0.04)	(0.49)	(0.08)	(0.10)
15	Total Comprehensive Income (13 + 14)	42.28	58.56	36.31	100.84	78.07	165.02
16	Paid-up equity share capital (Face value of ₹ 2 each)	28.92	28.92	28.92	28.92	28.92	28.92
17	Reserves excluding revaluation reserves as per balance sheet of previous accounting year						1,415.37
18	Basic and diluted EPS (₹) (Face value of ₹ 2 each) (Before and After Extraordinary items [not annualized])	2.94	4.06	2.51	7.01	5.40	11.42

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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 30 September 2016

Particulars	(₹ in Crores)	
	As at	As at
	30-09-2016	31-03-2016
	Unaudited	Unaudited
ASSETS		
I. Non-current assets		
(a) Property, plant and equipment	397.86	444.02
(b) Capital work-in-progress	4.69	3.85
(c) Investment property	2.23	2.28
(d) Other Intangible assets	27.29	32.04
(e) Intangible assets under development	31.40	25.41
(f) Financial assets		
(i) Investments	4.21	4.44
(ii) Trade and other receivables	-	-
(iii) Loans	0.96	0.96
(iv) Other financial assets	52.72	28.49
(g) Other non-current assets	41.95	81.99
Sub-total - Non-current assets	563.31	623.48
II. Current assets		
(a) Inventories	233.83	205.79
(b) Financial assets		
(i) Investments	889.25	785.90
(ii) Trade and other receivables	178.88	159.34
(iii) Cash and short-term deposits	15.70	34.37
(iv) Bank balance other than (iii) above	-	5.16
(v) Loans	0.29	0.58
(vi) Others financial assets	37.27	38.91
(c) Current tax assets (net)	-	6.24
(d) Other current assets	137.27	110.85
Sub-total - Current assets	1,492.49	1,347.14
TOTAL - ASSETS	2,055.80	1,970.62
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	28.92	28.92
(b) Other equity		
(i) Capital redemption reserve	0.20	0.20
(ii) General reserve	608.40	608.40
(iii) Retained earnings	907.60	806.77
Sub-total - Equity	1,545.12	1,444.29
LIABILITIES		
I. Non-current liabilities		
(a) Non-current financial liabilities		
(i) Borrowings	-	-
(ii) Trade and other payables	-	-
(iii) Other financial liabilities	17.47	17.40
(b) Long-term provisions	23.70	22.90
(c) Deferred tax liabilities (net)	12.60	13.40
(d) Government grants	-	-
(e) Other non-current liabilities	0.31	1.80
Sub-total - Non-current liabilities	54.08	55.50
II. Current liabilities		
(a) Financial liabilities		
(i) Borrowings	8.01	7.17
(ii) Trade and other payables	303.09	332.92
(iii) Other financial liabilities	34.05	47.09
(b) Other current liabilities	54.69	49.38
(c) Short-term provisions	55.91	33.42
(d) Government grants	0.85	0.85
(e) Current tax liabilities (net)	-	-
Sub-total - Current liabilities	456.60	470.83
TOTAL - EQUITY AND LIABILITIES	2,055.80	1,970.62

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- 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 34-Interim Financial Reporting 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 comparative figures for the quarter ended 30 September 2015, half year ended 30 September 2015 and year ended 31 March 2016 have been restated to conform to the current period. The results for aforesaid periods viz. quarter ended 30 September 2015, half year ended 30 September 2015 and year ended 31 March 2016 have not been subjected to limited review and audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affairs.

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

(₹ in Crores)

Particulars	Quarter ended	Half year ended	Year ended
	30-09-2015	30-09-2015	31-03-2016
	Unaudited	Unaudited	Unaudited
Net Profit under IGAAP (after Tax)	35.72	71.61	140.53
Recognition of Government grants as operating income	7.14	13.88	32.13
Fair value gain/(losses) on financial instruments	(0.46)	(0.65)	(0.60)
Net impact of fair valuation of interest free deposits	0.01	0.02	(0.02)
Deferment of revenue for sale of extended warranty	(5.46)	(5.46)	(3.83)
Reclassification of employee defined benefits obligations to Other Comprehensive Income	0.06	0.12	0.16
Others	-	-	0.28
Deferred tax in respect of above adjustments	(0.66)	(1.37)	(3.53)
Net Profit under Ind-AS (after Tax)	36.35	78.15	165.12
Other Comprehensive Income (net of tax)	(0.04)	(0.08)	(0.10)
Total Comprehensive Income after Tax as per Ind-AS	36.31	78.07	165.02

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

(₹ in Crores)

Particulars	Other Equity
Equity as on 31 March 2016 as per IGAAP	1,410.83
Fair value gain/(losses) on financial instruments	3.61
Net impact of fair valuation of interest free deposits	(0.05)
Recognition of Government grant as operating income	0.52
Deferment of revenue for sale of extended warranty	(3.83)
Others	0.02
Deferred tax in respect of above adjustments	4.27
Equity as on 31 March 2016 as per Ind-AS	1,415.37

- 5 The Company operates in single reportable segment namely 'Engines'.
- 6 The figures for the previous periods have been regrouped wherever required to make them comparable with those of the current period.
- 7 The results for the quarter and six months ended 30 September 2016 are reviewed and recommended by the Audit Committee and approved by the Board of Directors of the Company in their respective meetings held on 21 October 2016 and are subjected to a "Limited Review" by the Statutory Auditors.

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

Place : Pune
Date : 21 October 2016

For Kirloskar Oil Engines Limited



Nihal G. Kulkarni
Managing Director



M/s P. G. BHAGWAT

CHARTERED ACCOUNTANTS

HEAD OFFICE

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

Tel.(O) : 020 - 27290771, 27291772, 27291773

Fax : 020 - 27290774

Email : pgbhagwat@vsnl.com

Web : www.pgbhagwatca.com

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 for the quarter and six months ended September 30, 2016 and standalone unaudited balancesheet as at September 30, 2016 (the "statement") of Kirloskar Oil Engines Limited (the "Company"). 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 Independent Auditors 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.

Other matter

We report that the accompanying unaudited financial results for the corresponding quarter and six months ended September 30, 2015, and balancesheet for the year ended March 31, 2016, are based on the management certified financial information and have not been subject to review by us.



M/s P. G. BHAGWAT

CHARTERED ACCOUNTANTS

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 prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No: CIR/CFD/FAC/62/2016 dated 5th July 2016 , 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 No.: 117695

Pune

Date: 21th October, 2016

