



KIRLOSKAR ELECTRIC COMPANY LTD.,

Sect./45/2015
August 13, 2015

The Secretary,
National Stock Exchange of India Ltd
Exchange Plaza,
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051

Symbol – KECL
Series – EQ

Dear Sir,

Sub: Unaudited Financial Results for the quarter ended June 30, 2015
Auditor's Report on Limited Review of the Unaudited Financial Results.

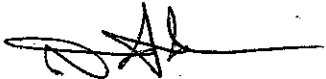
We wish to inform you that the Board of Directors at their Meeting held on August 13, 2015 have approved the unaudited financial results of the Company for the quarter ended June 30, 2015. We enclose a copy of the results for your information and records.

We also enclose herewith a copy of the Auditor's Report on Limited Review of the Unaudited Financial Results of the Company for the quarter ended June 30, 2015.

Published copy of the unaudited financial results will be sent to you in due course.

Thanking you,
Yours faithfully,

For KIRLOSKAR ELECTRIC COMPANY LIMITED


Vinayak N Bapat
Managing Director

Encl: a/a

KIRLOSKAR ELECTRIC COMPANY LIMITED, BANGALORE

CIN:L31100KA1946PLC000415

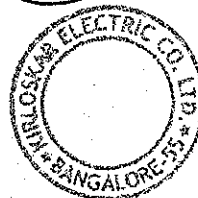
Regd Office: Industrial Suburb, Rajajinagar, Bangalore - 560 010.

STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2015



Sl No	Particulars	Amount (Rs in Lakhs)			
		Standalone			
		Current Three months ended 30/06/2015	Preceding Three months ended 31/03/2015	Previous year corresponding Three months ended 30/06/2014	Previous year ended 31/03/2015
		Unaudited	Audited	Unaudited	Audited
1	INCOME FROM OPERATIONS:				
a	Gross sales	14,032	15,693	15,478	55,473
	Less : excise duty	1,338	1,376	1,275	4,392
	Net sales/ income from operations	12,694	14,317	14,203	51,081
b.	Other operating income	-	-	-	-
2	Expenditure				
a	Cost of materials consumed	9,691	9,946	9,755	34,904
b	Change in inventories of finished goods, work in progress and stock in trade	25	1,304	1,637	5,785
c	Employee benefit expenses	2,067	1,298	2,102	7,557
d	Depreciation and amortisation expenses	263	270	280	1,104
e	Other expenditure	1,479	3,097	1,702	8,240
f	Total	13,525	15,915	15,476	57,590
3	Profit / (loss) from operations before other income, Finance costs and exceptional items (1 - 2f)	(831)	(1,598)	(1,273)	(6,509)
4	Other income	69	71	83	330
	Profit / (loss) from ordinary activities before finance cost and exceptional items (3+4)	(762)	(1,527)	(1,190)	(6,179)
5	Finance costs	1,023	862	1,080	4,413
	Profit / (loss) from ordinary activities after finance cost but before exceptional items (5-6)	(1,785)	(2,389)	(2,270)	(10,592)
7	Exceptional items (net)	-	2,383	-	2,383
8	Profit / (loss) from ordinary activities before tax (7-8)	(1,785)	(4,772)	(2,270)	(12,975)
9	Tax expense	-	-	-	-
10	Net profit / (loss) from ordinary activities after tax (9-10)	(1,785)	(4,772)	(2,270)	(12,975)
11	Extraordinary item (net of tax expense)	-	-	-	-
12	Net profit / (loss) for the period (11+12)	(1,785)	(4,772)	(2,270)	(12,975)
13	Paid up equity share capital (face value of Rs.10/-)	5,318	5,318	5,052	5,318
14	Reserves excluding revaluation reserves	NA	NA	NA	NA
15	Earnings per share (EPS)				
a	Basic and diluted EPS before extra ordinary items (not annualised)	(3.36)	(9.44)	(4.49)	(25.66)
b	Basic and diluted EPS after extra ordinary items (not annualised)	(3.36)	(9.44)	(4.49)	(25.66)
16	Aggregate of non-promoters shareholding				
A	Particulars of share holding				
1	Public share holding				
	-Number of shares	27,544,343	27,544,343	25,594,359	27,544,343
	-Percentage of Share holding	51.79%	51.79%	50.66%	51.79%
18	Promoters and Promoter Group Shareholding				
a	Pledged/encumbered				
	-Number of shares	-	-	-	-
	-Percentage of shares (as a % of the total share holding of promoter and promoter group)	-	-	-	-
	-Percentage of shares (as a % of the total share capital of the company)	-	-	-	-
b	Non-encumbered				
	-Number of shares	25,635,224	25,635,224	24,927,008	25,635,224
	-Percentage of shares (as a % of the total share holding of promoter and promoter group)	100%	100%	100%	100%
	-Percentage of shares (as a % of the total share capital of the company)	48.21%	48.21%	49.34%	48.21%

Angus L. Kumar



B	INVESTOR COMPLAINTS	Quarter ended June 30, 2015
	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

Revenues, results and capital employed for the segments for the quarter ended June 30, 2015

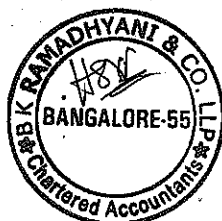
Amount (Rs in Lakhs)

Sl No	Particulars	Standalone			
		Current Three months ended 30/06/2015	Preceding Three months ended 31/03/2015	Previous year corresponding Three months ended 30/06/2014	Previous year ended 31/03/2015
		Unaudited	Audited	Unaudited	Audited
1	Segment Revenues				
	Power generation/ distribution	6,485	6,848	8,271	24,816
	Rotating machines	7,380	8,581	7,091	29,105
	Others	451	630	510	2,659
	Total	14,316	16,059	15,872	56,580
	Less: Inter segment revenues	284	366	394	1,107
	Sales / Income from operations	14,032	15,693	15,478	55,473
2	Segment Results				
	Profit / (loss) before interest, depreciation and tax expense				
	Power generation/ distribution	199	233	41	14
	Rotating machines	20	(117)	(164)	(1,241)
	Others	8	221	164	705
	Total	227	337	41	(522)
	Less: Interest	1,023	862	1,080	4,413
	Less: Other unallocable expenditure (net off unallocable income)	989	4,247	1,231	8,040
	Total Loss before tax expense & after extraordinary item	(1,785)	(4,772)	(2,270)	(12,975)
	Add/(less) Tax expenses				
	Total profit / (loss)	(1,785)	(4,772)	(2,270)	(12,975)
3	Capital Employed (Segment Assets-Segment Liabilities)				
	Power generation/ distribution	1,013	(705)	101	(705)
	Rotating machines	9,377	6,605	13,619	6,605
	Others	(389)	(273)	714	(273)
	Total capital employed in segments	10,001	5,627	14,434	5,627
	Add: Unallocable	(6,962)	(803)	(1,310)	(803)
	Total capital employed	3,039	4,824	13,124	4,824

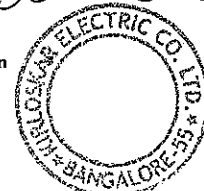
Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 13, 2015.
- The financial results of the Company for the quarter ended June 30, 2015 has been subject to limited review by its statutory auditors.
- Registration of conveyance deeds and payment of stamp duty in respect of properties valued at Rs 600 Lakhs, conveyed in favour of a wholly owned subsidiary as at March 31, 2015, is in progress as of date.
- As set out in foot note 6(a) and 6(b) to the audited financial results of the Company for the quarter and year ended March 31, 2015, the Company transferred/assigned certain assets/book debts in favour of certain wholly owned subsidiaries. The management is confident of realization of the balance consideration due from the said subsidiaries, as at June 30, 2015, of Rs 16,875.10 lacs (Rs 18,452.51 lacs as at March 31, 2015). The qualification of the auditors regarding the above is self explanatory and will not materially affect the results.
- The net worth of the group in terms of the consolidated financial statements as at March 31, 2015 consisting of the Company, its subsidiaries and its associate is eroded and the Company has made loss for the quarter. The Company and its components have initiated several measures like active steps being taken for disposal of non-core assets, arrangement under JLF mechanism for restructuring of dues to banks, sanction of further non fund based limits by banks, infusion of capital by the promoters, rationalization of operations, introduction of value added products push for sales, optimization in product mix and enhanced contribution, proposed capital raising plans etc. Accordingly, your directors have prepared these financial results of the Company on the basis that it is a going concern and that no adjustments are considered necessary to the carrying value of assets and liabilities.
- The Company has filed before the honorable Supreme Court, special leave petition in respect of resale tax and sales tax penalty of Rs.527 lakhs and Rs.362 lakhs respectively, on its erstwhile subsidiary Kaytee Switchgear Limited (since merged with the parent company) and confirmed by the honorable High Court of Karnataka. The Company believes based on legal advice / internal assessment that the outcome of these contingencies will be favorable, that losses are not probable and no provision is required to be recognized in this respect.
- Previous period/year figures have been regrouped wherever necessary to confirm with current period presentation.

Place: Bangalore
Date: August 13, 2015



(Signature)
(Vijay R Kirloskar)
Executive Chairman



LIMITED REVIEW REPORT

To,
The Board of Directors,
Kirloskar Electric Company Limited
Bangalore.

1. We have reviewed the accompanying statement of unaudited quarterly financial results of Kirloskar Electric Company Limited ("the Company") for the quarter ended June 30, 2015, being submitted by the Company pursuant to clause 41 of the Listing Agreements with the Stock Exchange 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 subject to review 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.
2. 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 provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Basis of Qualified opinion:
Attention of the members is invited to foot note 4 to the interim financial results regarding amounts due to the Company from certain subsidiaries towards part consideration receivable on sale/assignment of certain immoveable properties and book debts. We have relied on management's representations that it is confident of realization of amounts due from the said subsidiaries aggregating to Rs.16,875.10 lacs. Shortfall in realization of consideration receivable, if any, cannot be ascertained at this stage.
4. Based on our review conducted as above except in respect of matters stated in the paragraph on "Basis of Qualified Opinion", nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with the Companies (Accounting Standard) Rules, 2006 which continues to apply as per section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014 and other accounting principles generally accepted in India 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.



5. Emphasis of matter:

- (a) Attention of the members is invited to note 5 of the interim financial results, where in the directors have detailed the reasons for compiling the financial statements on a going concern basis, even though the net worth of the group, consisting of the Company, its subsidiaries and its associate has been eroded. The appropriateness of the said basis is subject to the Company adhering to the restructuring plan and infusion of requisite funds to it. We have relied on the representations made to us by the management. Our report is not qualified in this respect.
- (b) We invite attention to foot note 6 to the interim financial results, which sets out that the Company has filed special leave petition in respect of demands for resale tax and sales tax penalty of Rs.527 lakhs and Rs.362 lakhs respectively before the honourable Supreme Court of India. Management has represented to us that it is not probable that there will be an outflow of economic benefits and no provision is required to be recognized in this respect. We have relied on this representation. Our report is not qualified in this respect.

A copy of the unaudited financial results of the Company for the period under review, which formed the basis of our limited review, duly initiated by us for the purpose of identification is enclosed to this report.

For B K Ramadhyani & Co LLP

Chartered Accountants

Firm Registration No: 0028785/S200021

Vasuki H S.

(Vasuki H S)

Partner

Membership No. 212013

Place: Bangalore

Date: August 13, 2015

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 68, # 4-B, Chitrapur Bhavan,
8th Main, 15th Cross, Malleswaram,
BANGALORE - 560 055.