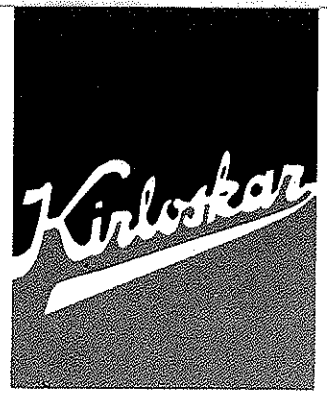




KIRLOSKAR ELECTRIC COMPANY LTD.,

Sect./60/2015
November 5, 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 second quarter/half year ended September 30, 2015 & Auditors' Report on limited review of the unaudited financial results.

We wish you to inform that the Board of Directors at their meeting held today i.e., November 5, 2015 have approved the unaudited financial results of the Company for the second quarter/half year ended September 30, 2015. We have enclosed a copy of financial results for your information and records.

We have also enclosed herewith a copy of Auditors' Report on limited review of the unaudited financial results of the Company for the second quarter/half year ended September 30, 2015.

Thanking you

Yours faithfully
for KIRLOSKAR ELECTRIC COMPANY LIMITED


Vinayak N Bapat
Managing Director
DIN: 06936639

Encl: a/a

KIRLOSKAR ELECTRIC COMPANY LIMITED, BANGALORE

CIN:L31100KA1946PLC000415

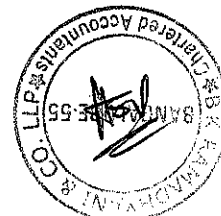
Regd. Office: Industrial Suburb, Rajalinagar, Bangalore - 560 010.

STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2015



SI No	Particulars	Standalone						(Rs in Lakhs)
		Current Three months ended 30/09/2015	Preceding Three months ended 30/06/2015	Previous year corresponding Three months ended 30/09/2014	Year to date figures for current period ended 30/09/2015	Year to date figures for previous period ended 30/09/2014	Previous year ended 31/03/2015	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	INCOME FROM OPERATIONS:							
a	Gross sales	14,119	14,032	11,772	28,151	27,250	55,473	
	Less : excise duty	1,297	1,338	846	2,635	2,121	4,392	
	Net sales/ income from operations	12,822	12,694	10,926	25,516	25,129	51,081	
b.	Other operating income	-	-	-	-	-	-	
2	Expenditure							
a	Cost of materials consumed	9,060	9,691	6,536	18,751	16,291	34,904	
b	Change in inventories of finished goods, work in progress and stock in trade	576	25	2,182	601	3,819	5,785	
c	Employee benefit expenses	2,020	2,067	2,024	4,087	4,126	7,557	
d	Depreciation and amortisation expenses	264	263	278	527	558	1,104	
e	Other expenditure	1,626	1,479	1,639	3,105	3,341	8,240	
f	Total	13,546	13,525	12,659	27,071	28,135	57,590	
3	Profit / (loss) from operations before other income, finance costs and exceptional items (1 - 2f)	(724)	(831)	(1,733)	(1,555)	(3,006)	(6,509)	
4	Other income	41	69	171	110	254	330	
5	Profit / (loss) from ordinary activities before finance cost and exceptional items (3+4)	(683)	(762)	(1,562)	(1,445)	(2,752)	(6,179)	
6	Finance costs	1,071	1,023	1,158	2,094	2,238	4,413	
7	Profit / (loss) from ordinary activities after finance cost but before exceptional items (5-6)	(1,754)	(1,785)	(2,720)	(3,539)	(4,990)	(10,592)	
8	Exceptional items (net)	-	-	-	-	-	2,383	
9	Profit / (loss) from ordinary activities before tax (7-8)	(1,754)	(1,785)	(2,720)	(3,539)	(4,990)	(12,975)	
10	Tax expense	-	-	-	-	-	-	
11	Net profit / (loss) from ordinary activities after tax (9-10)	(1,754)	(1,785)	(2,720)	(3,539)	(4,990)	(12,975)	
12	Extraordinary item (net of tax expense)	-	-	-	-	-	-	
13	Net profit / (loss) for the period (11+12)	(1,754)	(1,785)	(2,720)	(3,539)	(4,990)	(12,975)	
14	Paid up equity share capital (face value of Rs.10/-)	5,318	5,318	5,052	5,318	5,052	5,318	
15	Reserves excluding revaluation reserves	NA	NA	NA	NA	4,871	NA	
16	Earnings per share (EPS)							
a	Basic and diluted EPS before extra ordinary items (not annualised)	(3.29)	(3.36)	(5.38)	(6.65)	(9.88)	(25.66)	
b	Basic and diluted EPS after extra ordinary items (not annualised)	(3.29)	(3.36)	(5.38)	(6.65)	(9.88)	(25.66)	
17	Aggregate of non-promoters shareholding							
A	Particulars of share holding							
1	Public share holding							
	-Number of shares	25,635,224	25,635,224	25,635,224	25,635,224	25,635,224	25,635,224	
	-Percentage of Share holding	48.21%	48.21%	50.74%	48.21%	50.74%	48.21%	
18	Promoters and Promoter Group Shareholding							
a	Pledged/encumbered							
	-Number of shares	19,557,799	-	-	19,557,799	-	-	
	-Percentage of shares (as a % of the total share holding of promoter and promoter group)	71.00%	-	-	71.00%	-	-	
	-Percentage of shares (as a % of the total share capital of the company)	36.78%	-	-	36.78%	-	-	
b	Non-encumbered							
	-Number of shares	7,986,544	27,544,343	24,886,143	7,986,544	24,886,143	27,544,343	
	-Percentage of shares (as a % of the total share holding of promoter and promoter group)	29.00%	100%	100%	29.00%	100%	100%	
	-Percentage of shares (as a % of the total share capital of the company)	15.01%	51.79%	49.26%	15.01%	49.26%	51.79%	

Pugay R. Chandra



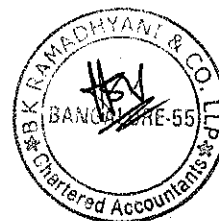
B	INVESTOR COMPLAINTS	Quarter ended September 30, 2015
	Pending at the beginning of the quarter	NIL
	Received during the quarter	NIL
	Disposed of during the quarter	NIL
	Remaining unresolved at the end of the quarter	NIL

Revenues, results and capital employed for the segments for the quarter and half year ended Septemehr 30, 2015

(Rs In Lakhs)

Sl No	Particulars	Standalone				
		Current Three months ended 30/09/2015	Preceding Three months ended 30/06/2015	Previous year corresponding Three months ended 30/09/2014	Year to date figures for current period ended 30/09/2015	Year to date figures for previous period ended 30/09/2014
		Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenues					
	Power generation/ distribution	5,429	6,485	4,863	11,914	13,134
	Rotating machines	8,506	7,380	6,180	15,886	13,271
	Others	947	451	887	1,398	1,397
	Total	14,882	14,316	11,930	29,198	27,802
	Less: Inter segment revenues	763	284	158	1,047	552
	Sales / Income from operations	14,119	14,032	11,772	28,151	27,250
2	Segment Results					
	Profit / (loss) before interest, depreciation and tax expense					
	Power generation/ distribution	32	199	(118)	231	(77)
	Rotating machines	86	20	(507)	106	(671)
	Others	236	8	191	244	355
	Total	354	227	(434)	581	(393)
	Less: Interest	1,071	1,023	1,158	2,094	2,238
	Less: Other unallocable expenditure (net off unallocable income)	1,037	989	1,128	2,026	2,359
	Total Loss before tax expense & after extraordinary item	(1,754)	(1,785)	(2,720)	(3,539)	(4,990)
	Add/(less) Tax expenses					
	Total profit / (loss)	(1,754)	(1,785)	(2,720)	(3,539)	(4,990)
3	Capital Employed (Segment Assets-Segment Liabilities)					
	Power generation/ distribution	820	1,013	(257)	820	(257)
	Rotating machines	8,417	9,377	13,094	8,417	13,094
	Others	(316)	(389)	512	(316)	512
	Total capital employed in segments	8,921	10,001	13,349	8,921	13,349
	Add: Unallocable	(7,635)	(6,962)	(2,945)	(7,635)	(2,945)
	Total capital employed	1,286	3,039	10,404	1,286	10,404

Muzey R. Chandra



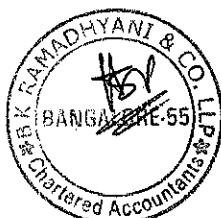
STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2015

Sl No.	Particulars	Standalone			
		As at September 30, 2015		As at March 31, 2015	
		(Unaudited)		(Audited)	
A	EQUITY AND LIABILITIES				
1	Shareholders' funds:				
(a)	Share capital	6,914		6,914	
(b)	Reserves and surplus	(5,628)	1,286	(2,090)	4,824
2	Non - current liabilities				
(a)	Long term borrowings	9,195		5,578	
(b)	Other long term liabilities	1,466		1,771	
(c)	Long term provisions	1,867	12,528	1,547	8,896
3	Current liabilities				
(a)	Short term borrowings	14,769		15,681	
(b)	Trade payables	16,175		18,944	
(c)	Other current liabilities	9,970		7,772	
(d)	Short term provisions	2,758		2,539	
	Total		43,672		44,936
			57,486		58,656
B	ASSETS:				
1	Non - current assets				
(a)	Fixed assets				
(i)	Tangible assets	8,534		8,864	
(ii)	Intangible assets	84		87	
(iii)	Capital work in progress	166		166	
		8,784		9,117	
(b)	Non - current investments	6,536		6,534	
(c)	Deferred Tax (net)	-		-	
(d)	Long term loans and advances	1,899		1,892	
(e)	Other non current assets	12,973		13,960	
			30,192		31,503
2	Current assets				
(a)	Inventories	9,674		9,294	
(b)	Trade receivables	8,778		8,273	
(c)	Cash and bank balances	2,411		1,983	
(d)	Short term loans and advances	1,164		1,030	
(e)	Other current assets	5,267		6,573	
			27,294		27,153
	Total		57,486		58,656

Notes:

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 05, 2015.
- 2 The financial results of the Company for the quarter and half year ended September 30, 2015 has been subject to limited review by the statutory auditors.
- 3 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.
- 4 The outstanding dues from the wholly owned subsidiaries in respect of the assets / debts transferred and included under other non-current assets and other current assets above totally amounts to Rs 16,043.68 lakhs as at September 30, 2015 (Rs 18,452.51 lakhs as at March 31, 2015 as referred vide note no 54 in the standalone financial statements). The subsidiaries are taking steps to liquidate these assets and the management is confident of realization of the above dues.
The qualification of the auditors regarding the above is self-explanatory and will not materially affect the results.
- 5 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.
- 6 The Company has filed before the honourable 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 honourable High Court of Karnataka. The Company believes based on legal advice / internal assessment that the outcome of these contingencies will be favourable, that losses are not probable and no provision is required to be recognized in this respect.
- 7 Previous period/year figures have been regrouped wherever necessary to confirm with current period presentation.

Place: Bangalore
Date: November 5, 2015



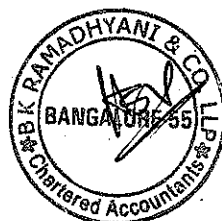
August 11, 1902



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 and half year ended September 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 16,043.68 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: 002878S/S200021

Vasuki H S

(Vasuki H S)

Partner

Membership No. 212013

Place: Bangalore

Date: November 5, 2015

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