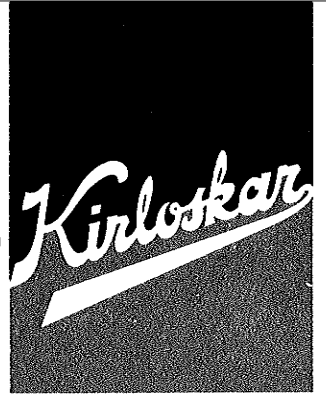


KIRLOSKAR ELECTRIC COMPANY LTD.,



Sect./31/2016
November 14, 2016

The Secretary,
✓ **NATIONAL STOCK EXCHANGE OF INDIA LTD**
Exchange Plaza,
Bandra Kurla Complex,
Bandra (East)
Mumbai – 400 051
Symbol – KECL
Series – EQ

BSE LTD.,
Stock Exchange Towers,
Floor 25, PJ Towers,
Dalal Street,
Mumbai – 400 051
Scrip Code 533193
Scrip ID KIRELECT

Dear Sir,

Time of Commencement of meeting : 02.30 P.M
Time of Conclusion of meeting : 06.00 P.M

Sub: Compliance with Regulation 33 of SEBI (LODR) Regulations, 2015;

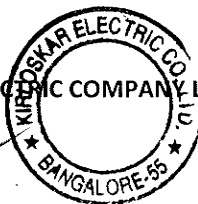
Pursuant to the regulation under subject, please find enclosed unaudited financial results of the company for the quarter and half year ended September 30, 2016 as approved by the Board of directors at its meeting held today and signed by Mr. Vijay Ravindra Kirloskar, Executive Chairman of the company, along with Limited Review Report of the auditors.

Please find the same in order and oblige.

Thanking you

Yours faithfully
for **KIRLOSKAR ELECTRIC COMPANY LIMITED**


Chinmoy Patnaik
Associate Vice President Legal & Company Secretary



Encl: a/q.

P.B. No. 5555, Malleswaram West, Bangalore - 56 055, India
T +91 80 2337 4865 / 2337 8901 F +91 80 2337 7706
Customer Care No. : 1800 102 8268, website : www.kirloskar-electric.com

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

CIN: L31100KA1946PLC000415

KIRLOSKAR ELECTRIC COMPANY LIMITED, BANGALORE

CIN:L31100KA1946PLC000415

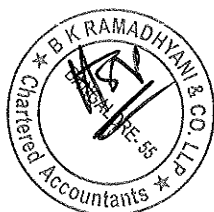
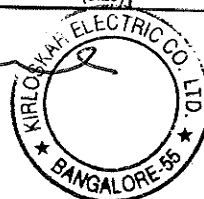
Regd Office: Industrial Suburb, Rajajinagar, Bangalore - 560 010.

UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2016



Sl No	Particulars	(Rs.in Lakhs)					
		Standalone					
		Quarter ended		Year ended			
		Current Three months ended 30/09/2016	Preceding Three months ended 30/06/2016	Previous year corresponding Three months ended 30/09/2015	Year to date figures for current period ended 30/09/2016	Year to date figures for previous period ended 30/09/2015	Previous year ended 31/03/2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	INCOME FROM OPERATIONS:						
a.	Net sales/ income from operations (net of excise duty)	12,720	14,920	12,822	27,640	25,516	54,775
b.	Other operating income	-	-	-	-	-	-
	Total income from operations (net)	12,720	14,920	12,822	27,640	25,516	54,775
2	Expenses						
a	Cost of materials consumed	9,197	11,383	9,060	20,580	18,751	40,597
b	Change in inventories of finished goods, work in progress and stock in trade	240	(419)	576	(179)	601	355
c	Employee benefit expense	1,923	1,737	2,020	3,660	4,087	7,517
d	Depreciation and amortisation expense	280	277	264	557	527	1,101
e	Other expenses	1,492	1,551	1,626	3,043	3,105	6,641
	Total expenses	13,132	14,529	13,546	27,661	27,071	56,211
3	Profit / (loss) from operations before other income, finance costs and exceptional items (1-2)	(412)	391	(724)	(21)	(1,555)	(1,436)
4	Other income	143	710	41	853	110	354
	Profit / (loss) from ordinary activities before finance cost and exceptional items (3+4)	(269)	1,101	(683)	832	(1,445)	(1,082)
5	Finance costs	981	950	1,071	1,931	2,094	4,186
	Profit / (loss) from ordinary activities after finance cost but before exceptional items (5-6)	(1,250)	151	(1,754)	(1,099)	(3,539)	(5,268)
7	Exceptional items (net)	-	-	-	-	-	-
8	Profit / (loss) from ordinary activities before tax (7-8)	(1,250)	151	(1,754)	(1,099)	(3,539)	(5,268)
9	Tax expense	-	-	-	-	-	-
10	Net profit / (loss) from ordinary activities after tax (9-10)	(1,250)	151	(1,754)	(1,099)	(3,539)	(5,268)
11	Extraordinary Item (net of tax expense)	-	-	-	-	-	-
12	Net profit / (loss) for the period (11+12)	(1,250)	151	(1,754)	(1,099)	(3,539)	(3,113)
13	Paid up equity share capital (face value of Rs.10/-)	6,641	5,573	5,318	6,641	5,318	5,573
14	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	NA	NA	NA	NA	NA	NA
15	Earnings per share (EPS) (Rs)						
a	Basic EPS before extra ordinary items (not annualised)	(2.14)	0.27	(3.29)	(3.85)	(6.65)	(9.84)
b	Diluted EPS before extra ordinary items (not annualised)	(2.14)	0.26	(3.29)	(3.85)	(6.65)	(9.84)
c	Basic EPS after extra ordinary items (not annualised)	(2.14)	0.27	(3.29)	(3.85)	(6.65)	(9.82)
d	Diluted EPS after extra ordinary items (not annualised)	(2.14)	0.26	(3.29)	(3.85)	(6.65)	(5.82)

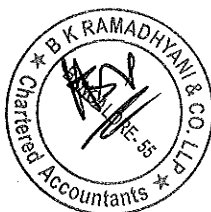
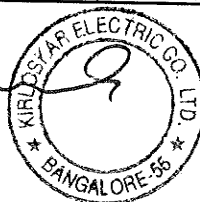
Angus R. Kumar



Revenues, results, assets, liabilities and capital employed for the segments for the quarter and half year ended September 30, 2016

SI No	Particulars	Standalone					
		Quarter ended			Year ended		
		Current Three months ended 30/09/2016	Preceding Three months ended 30/06/2016	Previous year corresponding Three months ended 30/09/2015	Year to date figures for current period ended 30/09/2016	Year to date figures for previous period ended 30/09/2015	Previous year ended 31/03/2016
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenues						
	Power generation/ distribution	7,061	9,001	4,975	16,062	10,828	25,141
	Rotating machines	5,793	6,147	7,663	11,940	14,337	29,093
	Others	384	444	947	828	1,398	2,875
	Total	13,238	15,592	13,585	28,830	26,563	57,109
	Less: Inter segment revenues	518	672	763	1,190	1,047	2,334
	Net sales / income from operations	12,720	14,920	12,822	27,640	25,516	54,775
2	Segment Results						
	Profit / (loss) before interest, depreciation and tax expense						
	Power generation/ distribution	198	785	32	983	231	959
	Rotating machines	213	353	86	566	106	1,068
	Others	168	197	236	365	244	782
	Total	579	1,335	354	1,914	581	2,809
	Less: Interest	981	950	1,071	1,931	2,094	4,186
	Less: Other unallocable expenditure (net off unallocable Income)	848	234	1,037	1,082	2,026	3,891
	Total profit / (loss) before tax expense	(1,250)	151	(1,754)	(1,099)	(3,539)	(5,268)
	Add: Extraordinary item	-	-	-	-	-	2,155
	Total profit / (loss) before tax expense and after extraordinary item	(1,250)	151	(1,754)	(1,099)	(3,539)	(3,113)
3	Segment Assets						
	Power generation/ distribution	11,497	13,211	9,970	11,497	9,970	12,834
	Rotating machines	19,719	19,104	20,734	19,719	20,734	18,967
	Others	621	418	558	621	558	573
	Total	31,837	32,733	31,262	31,837	31,262	32,374
	Add Unallocable Assets	26,257	24,246	26,224	26,257	26,224	25,860
	Total Segment Assets	58,094	56,979	57,486	58,094	57,486	58,234
4	Segment Liabilities						
	Power generation/ distribution	11,197	12,281	9,150	11,197	9,150	12,132
	Rotating machines	10,440	10,771	12,317	10,440	12,317	10,933
	Others	615	685	875	615	875	740
	Total	22,252	23,737	22,342	22,252	22,342	23,805
	Add Unallocable Liabilities	31,635	31,379	33,858	31,635	33,858	32,717
	Total Segment Liabilities	53,887	55,116	56,200	53,887	56,200	56,522
5	Capital Employed (Segment Assets-Segment Liabilities) (Recasted)						
	Power generation/ distribution	299	930	820	299	820	702
	Rotating machines	9,279	8,333	8,417	9,279	8,417	8,034
	Others	7	(267)	(316)	7	(316)	(167)
	Total capital employed in segments	9,585	8,996	8,921	9,585	8,921	8,569
	Add: Unallocated	(5,378)	(7,133)	(7,635)	(5,378)	(7,635)	(6,857)
	Total capital employed	4,207	1,863	1,286	4,207	1,286	1,712

Angus L. Kumar

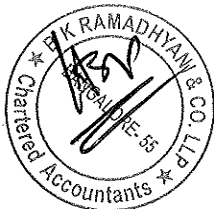


STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2016

Sl. No	Particulars	Standalone			
		As at September 30, 2016		As at March 31, 2016	
		(Unaudited)		(Audited)	
A	EQUITY AND LIABILITIES				
1	Shareholders' funds:				
(a)	Share capital	6,641		6,392	
(b)	Reserves and surplus	(2,434)	4,207	(4,680)	1,712
2	Non - current liabilities				
(a)	Long term borrowings	7,360		7,890	
(b)	Other long term liabilities	1,511		1,482	
(c)	Long term provisions	1,876	10,747	1,677	11,049
3	Current liabilities				
(a)	Short term borrowings				
(b)	Trade payables	14,680		14,422	
(a)	Total Outstanding dues of micro and small enterprises	151		81	
(b)	Total outstanding dues of creditors other than micro enterprises and small enterprises	16,761		18,146	
(c)	Other current liabilities	9,106		9,874	
(d)	Short term provisions	2,442		2,950	
	Total		43,140		45,473
			58,094		58,234
B	ASSETS:				
1	Non - current assets				
(a)	Fixed assets				
(i)	Tangible assets	8,032		8,420	
(ii)	Intangible assets	38		53	
(iii)	Capital work in progress	14		14	
		8,084		8,487	
(b)	Non - current investments	6,536		6,536	
(c)	Deferred Tax (net)	-		-	
(d)	Long term loans and advances	2,801		2,018	
(e)	Other non current assets	13,333	30,754	12,825	29,866
2	Current assets				
(a)	Inventories	9,161		9,711	
(b)	Trade receivables	10,439		10,450	
(c)	Cash and bank balances	2,255		2,598	
(d)	Short term loans and advances	1,270		1,221	
(e)	Other current assets	3,915		4,388	
			27,340		28,368
	Total		58,094		58,234

Pragya L Chandra

REGISTERED ELECTRICIAN
BANGALORE-55

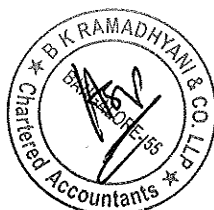
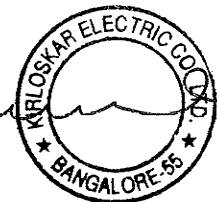


Notes:

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 14, 2016.
- 2 The unaudited financial results of the Company for the quarter ended September 30, 2016 have been subject to limited review by its statutory auditors.
- 3 Other Income for the quarter and period ended September 30, 2016 includes Rs 93.35 lakhs and Rs.773.55 lakhs respectively (for the year ended 31 March, 2016 Rs.149.39 Lakhs) pertaining to liabilities / provision no longer required written back.
- 4 The Company, in an earlier year, had revalued a portion of its land, thereby recognising a revaluation reserve of Rs 208.66 lakhs. In terms of revised Accounting Standard (AS) 10 (Property, Plant and Equipment) in the Companies (Accounting Standards) Amendment Rules, 2016, issued by the Ministry of Corporate Affairs, Government of India and effective for the financial statements prepared on or after April 1, 2016, the Company is yet to exercise the option of 'Cost Model' / 'Revaluation Model'. Pending such decision, total segment assets and capital employed furnished above include the revaluation surplus so recognised earlier. However this has no impact on the net loss for the quarter/period ended September 30, 2016.
- 5 As a measure of restructuring and with the consent of the lending banks under the Joint Lender Forum (JLF) mechanism, the Company had transferred in the year ended March 31, 2015 certain assets comprising of immovable properties, receivables and inventory to its subsidiaries Kelbuzz Trading Private Limited, SKG Terra Promenade Private Limited and SLPKG Estate Holdings Private Limited, which will function as special purpose vehicles to hold such assets, dispose off the same and pay off certain debts (bank dues) transferred by the Company. The amounts outstanding and due from the said subsidiaries as at September 30, 2016 in respect of the transfer of the assets as mentioned above and other expenses incurred by the subsidiaries reimbursed by the Company totally amount to Rs 14,654.99 lakhs (as at March 31, 2016 Rs 14,950.73 Lakhs). These subsidiaries are taking active steps to repay the dues of the Company, from collection of debts (receivables) assigned and from disposal of immovable properties / inventories transferred apart from debts (bank dues) transferred / to be transferred as referred above. These subsidiaries have been sanctioned credit facilities to an aggregate extent of Rs. 500 lakhs (net of amounts drawn). The board of directors of the Company are confident of realisation of the entire amounts due from the said subsidiaries as realisation from the sale of immovable properties / inventories by the subsidiaries is expected to be higher than the transfer value.
- 6 The net worth of the group in terms of the consolidated financial statements as at March 31, 2016 consisting of the Company, its subsidiaries and its associate is eroded and the Company had made net loss for the year ended March 31, 2016. 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. Although the Company has incurred losses for the quarter ended September 30, 2016, the Company made profits for the quarter ended March 31, 2016 and 30 June 2016 and there has been infusion of capital through Qualified Institutional Placement during the quarter under review. Further the Company is in advance stage for negotiation of funding arrangements from bankers of the Company which will improve the performance in forthcoming periods. The company is confident that this funding arrangement will have a positive impact in the net worth of the company. 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.
- 7 During the quarter ended September 30, 2016, the company has allotted 7,991,765 Equity Shares of Rs 10 each at a premium of Rs 36.15 per share, to Qualified Institutional investors and has accordingly received Rs 3,688.20 lakhs.
- 8 During the quarter ended September 30, 2016, the company has allotted 2,688,583 Equity Shares to Vijay R Kirloskar at a premium of ₹ 20.44 per share by conversion of Compulsory Convertible Preference Shares ("CCPS").
- 9 The Company has filed before the honourable Supreme Court, special leave petition (SLP) 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. This SLP has been admitted by the honorable Supreme Court. Hence 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.
- 10 Reserves have been reported as NA as the Company has a negative reserves and surplus.
- 11 Previous period/year figures have been regrouped wherever necessary to confirm with current period presentation.

Place: Bangalore
Date: November 14, 2016


(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/half yearly financial results of Kirloskar Electric Company Limited ("the Company") for the quarter and half year ended September 30, 2016, being submitted by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. 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 5 to the financial results regarding amounts due to the Company from certain subsidiaries towards part consideration receivable on sale/assignment of certain immoveable properties, receivables and expenses reimbursed. We have relied on management's representations that it is confident of realization of amounts due from the said subsidiaries aggregating to Rs 14,654.99 lakhs (as at March 31, 2016 Rs 14,950.73 Lakhs). Shortfall in realization of the amount outstanding, if any, could not be ascertained.
4. Based on our review conducted as above except in respect of matters stated in the paragraph on "Basis of Qualified Opinion" and read with foot note 4 to the financial results, 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 as amended 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 Regulation 33 SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.



5. Emphasis of matter:

Without qualifying our opinion we invite the attention of the members to:

- (a) Foot note 6 of the audited financial results, where in the directors have detailed the reasons for compiling the financial statements on a going concern basis, though the net worth of the group, consisting of the Company, its subsidiaries and 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. We have relied on the representations made to us by the management.
- (b) Foot note 9 to the audited 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 hence no provision is required to be recognized in this regard. We have relied on this representation.

A copy of the unaudited financial results of the Company for the period under review, which formed the basis of our limited review, duly initialled 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 14, 2016

B K RAMADHYANI & CO. LLP
CHARTERED ACCOUNTANTS
No. 58, # 4-B, Chitrapur Bhavan,
8th Main, 15TH Cross, Malleswaram,
BANGALORE - 560 055.