



KIRLOSKAR ELECTRIC COMPANY LTD.,

Sect./26/2016
August 12, 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,

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

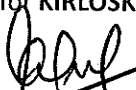
Pursuant to the regulation under subject, please find enclosed unaudited financial results of the company for the quarter ended June 30, 2016 as approved by the Board of directors at its meeting held today and signed by Mr. Vijay Ravindra Kirloskar, Executive Chairman of the company, along with Limited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

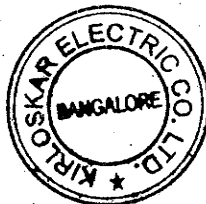
Time of Commencement meeting : 02.30 P.M
Time of Conclusion of meeting : 06.40 P.M

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/a

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Customer Care No. : 1800 3010 1555, 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.

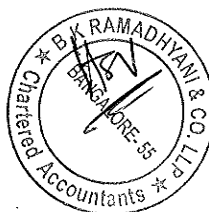
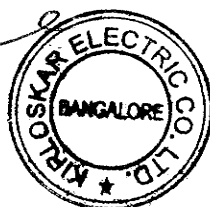
UNAUDITED FINANCIAL RESULTS FOR THE QUARTER ENDED JUNE 30, 2016



(Rs.in Lakhs)

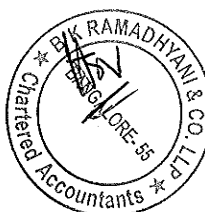
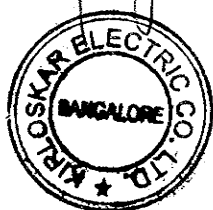
Sl No	Particulars	Standalone			
		Quarter ended		Year ended	
		Current Three months ended 30/06/2016	Preceding Three months ended 31/03/2016	Previous year corresponding Three months ended 30/06/2015	Previous year ended 31/03/2016
		Unaudited	Audited	Unaudited	Audited
1	INCOME FROM OPERATIONS:				
a.	Net sales/ income from operations (net of excise duty)	14,920	16,991	12,694	54,775
b.	Other operating income	-	-	-	-
	Total income from operations (net)	14,920	16,991	12,694	54,775
2	Expenses				
a	Cost of materials consumed	11,383	11,973	9,691	40,597
b	Change in inventories of finished goods, work in progress and stock in trade	(419)	456	25	355
c	Employee benefit expense	1,737	1,423	2,067	7,517
d	Depreciation and amortisation expense	277	312	263	1,101
e	Other expenses	1,551	1,680	1,479	6,641
	Total expenses	14,529	15,844	13,525	56,211
3	Profit / (loss) from operations before other income, finance costs and exceptional items (1-2)	391	1,147	(831)	(1,436)
4	Other income	710	209	69	354
	Profit / (loss) from ordinary activities before finance cost and exceptional items (3+4)	1,101	1,356	(762)	(1,082)
6	Finance costs	950	1,061	1,023	4,186
	Profit / (loss) from ordinary activities after finance cost but before exceptional items (5-6)	151	295	(1,785)	(5,268)
8	Exceptional items (net)	-	-	-	-
9	Profit / (loss) from ordinary activities before tax (7- 8)	151	295	(1,785)	(5,268)
10	Tax expense	-	-	-	-
11	Net profit / (loss) from ordinary activities after tax (9-10)	151	295	(1,785)	(5,268)
12	Extraordinary Item (net of tax expense)	-	-	-	2,155
13	Net profit / (loss) for the period (11+12)	151	295	(1,785)	(3,113)
14	Paid up equity share capital (face value of Rs.10/-)	5,573	5,573	5,318	5,573
15	Reserves excluding revaluation reserves as per balance sheet of previous accounting year	NA	NA	NA	NA
16	Earnings per share (EPS) (Rs)				
a	Basic EPS before extra ordinary items (not annualised)	0.27	0.54	(3.36)	(9.84)
b	Diluted EPS before extra ordinary items (not annualised)	0.26	0.51	(3.36)	(9.84)
c	Basic EPS after extra ordinary items (not annualised)	0.27	0.54	(3.36)	(5.82)
b	Diluted EPS after extra ordinary items (not annualised)	0.26	0.51	(3.36)	(5.82)

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Revenues, results, assets, liabilities and capital employed for the segments for the quarter ended June 30, 2016

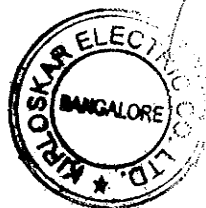
Sl No	Particulars	Standalone			
		Quarter ended			Year ended
		Current Three months ended 30/06/2016	Preceding Three months ended 31/03/2016	Previous year corresponding Three months ended 30/06/2015	Previous year ended 31/03/2016
		Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenues				
	Power generation/ distribution	9,001	8,926	5,852	25,141
	Rotating machines	6,147	7,935	6,674	29,093
	Others	444	838	452	2,875
	Total	15,592	17,699	12,978	57,109
	Less: Inter segment revenues	672	708	284	2,334
	Net sales / income from operations	14,920	16,991	12,694	54,775
2	Segment Results				
	Profit / (loss) before interest, depreciation and tax expense				
	Power generation/ distribution	785	793	199	959
	Rotating machines	353	720	20	1,068
	Others	197	314	8	782
	Total	1,335	1,827	227	2,809
	Less: Interest	950	1,061	1,023	4,186
	Less: Other unallocable expenditure (net off unallocable Income)	234	471	989	3,891
	Total profit / (loss) before tax expense	151	295	(1,785)	(5,268)
	Add: Extraordinary item	-	-	-	2,155
	Total profit / (loss) before tax expense and after extraordinary item	151	295	(1,785)	(3,113)
3	Segment Assets				
	Power generation/ distribution	13,211	12,833	10,606	12,833
	Rotating machines	19,104	18,967	20,097	18,967
	Others	418	573	470	573
	Total	32,733	32,373	31,174	32,373
	Add Unallocable Assets	24,246	25,860	26,693	25,860
	Total Segment Assets	56,979	58,233	57,867	58,233
4	Segment Liabilities				
	Power generation/ distribution	12,281	12,132	9,593	12,132
	Rotating machines	10,771	10,933	10,720	10,933
	Others	685	740	859	740
	Total	23,737	23,805	21,173	23,805
	Add Unallocable Liabilities	31,379	32,717	33,655	32,717
	Total Segment Liabilities	55,116	56,522	54,827	56,522
5	Capital Employed (Segment Assets-Segment Liabilities) (Recasted)				
	Power generation/ distribution	930	701	1,013	701
	Rotating machines	8,333	8,034	9,377	8,034
	Others	(267)	(167)	(389)	(167)
	Total capital employed in segments	8,996	8,568	10,001	8,568
	Add: Unallocated	(7,133)	(6,857)	(6,962)	(6,857)
	Total capital employed	1,863	1,711	3,039	1,711



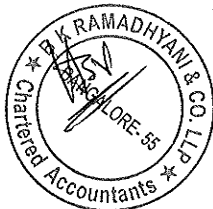
Notes:

- 1 The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on August 12, 2016.
- 2 The unaudited financial results of the Company for the quarter ended June 30, 2016 have been subject to limited review by its statutory auditors.
- 3 Other Income for the quarter ended June 30, 2016 includes Rs.680.20 lakhs (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 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 profit for the quarter ended June 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 June 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 14,773.29 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. The Company has made profits for the quarter ended March 31, 2016 and 30 June 2016 and loss has been substantially reduced. 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 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. 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.
- 8 Reserves have been reported as NA as the Company has a negative reserves and surplus.
- 9 Previous period/year figures have been regrouped wherever necessary to confirm with current period presentation.

Place: Bangalore
Date: August 12, 2016




(Vijay R Kirloskar)
Executive Chairman





B K Ramadhyani & Co LLP

Chartered Accountants

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, 2016 ("the Statement"), 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 the Statement 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 Statement is 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 Statement 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 14,773.29 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 Statement, nothing has come to our attention that causes us to believe that the accompanying Statement, 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.

Converted from Partnership firm "B K Ramadhyani & Co.," (FRN No. 002878S) with effect from April 1, 2015
LLP Identification No. AAD-7041

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B K Ramadhyani & Co LLP

5. Emphasis of matter:

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

- (a) Foot note 6 of the Statement, where in the directors have detailed the reasons for compiling the Statement 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 to it. We have relied on the representations made to us by the management.
- (b) Foot note 7 to the Statement, 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 Statement 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)

Partner

Membership No. 212013

Place: Bangalore

Date: August 12, 2016

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