



KIRLOSKAR ELECTRIC COMPANY LTD.,

Sect./39 /2014
November 12, 2014

The Secretary,
BSE Ltd.
Stock Exchange Towers
Floor 25, P J Towers
Dalal Street
Mumbai - 400 001

Scrip Code 533193
Scrip ID KIRELECT

Dear Sir

Sub : - Unaudited Financial Results for the quarter ended 30th September, 2014
Auditors' Report on Limited Review of the Unaudited Financial Results

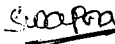
We wish to inform you that the Board of Directors at their Meeting held on 12th November, 2014 have approved the unaudited financial results of the Company for the quarter ended 30th September, 2014. We enclose a copy of the results for your information and records.

We also enclose herewith a copy of the Auditors' Report on Limited Review of the Unaudited Financial Results of the Company for the quarter ended 30th September, 2014.

Published copy of the un-audited financial results will be sent to you in due course.

Thanking you,

Yours faithfully,
For KIRLOSKAR ELECTRIC COMPANY LIMITED,


K.S.SWAPNA LATHA
General Manager (Legal) &
Company Secretary

Encl :a/a

P.B. No. 5555, Malleswaram West, Bangalore - 560 055, India
T +91 80 2337 4865 / 2337 8901 F +91 80 2337 7706
Customer Care No. : 1800 3010 1555, website : www.kirloskar-electric.com

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

CIN: L85110KA1946PLC000415



Sl No	Particulars	Amount (Rs.in Lacs)					
		Standalone					
		Three months ended 30/09/2014	Preceding Three months ended 30/06/2014	Corresponding three months ended in the previous year 30/09/2013	Year to date figures for current period ended 30/09/2014	Year to date figures for the previous year ended 30/09/2013	Previous year ended 31/03/2014
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 a	Gross sales	11,772	15,478	20,231	27,250	41,742	74,841
	Less : excise duty	846	1,275	1,972	2,121	3,974	6,857
	Net sales/ income from operations	10,926	14,203	18,259	25,129	37,768	67,984
b.	Other operating income	-	-	-	-	-	-
2	Expenditure	-	-	-	-	-	-
a	Cost of materials consumed	6,536	9,755	14,401	16,291	28,472	54,823
b	Change in inventories of finished goods, work in progress and stock in trade	2,182	1,637	(1,077)	3,819	(341)	(2,201)
c	Employee benefit expenses	2,024	2,102	1,749	4,126	3,917	7,888
d	Depreciation and amortisation expenses	278	280	345	558	721	1,171
e	Other expenditure	1,639	1,702	1,947	3,341	4,002	7,930
f	Total	12,659	15,476	17,365	28,135	36,771	69,611
3	Profit / (loss) from operations before other income, Finance costs and exceptional items (1 - 2f)	(1,733)	(1,273)	894	(3,006)	997	(1,627)
4	Other income	171	83	180	254	274	1,720
5	Profit / (loss) before interest and exceptional items (3+4)	(1,562)	(1,190)	1,074	(2,752)	1,271	93
6	Finance costs	1,158	1,080	1,039	2,238	1,974	4,194
7	Profit / (loss) after interest but before exceptional items (5-6)	(2,720)	(2,270)	35	(4,990)	(703)	(4,101)
8	Exceptional items (net)	-	-	-	-	-	-
9	Profit / (loss) from ordinary activities before tax (7-8)	(2,720)	(2,270)	35	(4,990)	(703)	(4,101)
10	Tax expense	-	-	-	-	-	-
11	Net profit / (loss) from ordinary activities after tax (9-10)	(2,720)	(2,270)	35	(4,990)	(703)	(4,101)
12	Extraordinary Item (net of tax expense)	-	-	-	-	-	-
13	Net profit / (loss) for the period (11+12)	(2,720)	(2,270)	35	(4,990)	(703)	(4,101)
14	Paid up equity share capital (face value of Rs. 10/-)	5,052	5,052	5,052	5,052	5,052	5,052
15	Reserves excluding revaluation reserves	NA	NA	NA	4,871	NA	9,930
16	Earnings per share (EPS)						
a	Basic and diluted EPS before extra ordinary items (not annualised)	(5.38)	(4.49)	0.07	(9.88)	(1.39)	(8.12)
b	Basic and diluted EPS after extra ordinary items (not annualised)	(5.38)	(4.49)	0.07	(9.88)	(1.39)	(8.12)
17	Aggregate of non-promoters shareholding						
A	Particulars of share holding						
1	Public share holding						
	-Number of shares	25,635,224	25,594,359	25,595,359	25,635,224	25,595,359	25,594,359
	-Percentage of Share holding	50.74%	50.66%	50.66%	50.74%	50.66%	50.66%
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	24,886,143	24,927,008	24,926,008	24,886,143	24,926,008	24,927,008
	-Percentage of shares (as a % of the total share holding of promoter and promoter group)	100%	100%	100%	100%	100%	100%
-	-Percentage of shares (as a % of the total share capital of the company)	49.26%	49.34%	49.34%	49.26%	49.34%	49.34%

Signature of B. K. Ramadhyani



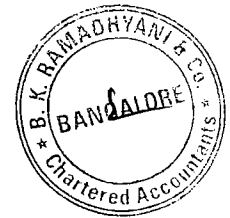
B	INVESTOR COMPLAINTS	Quarter ended September 30, 2014
	Pending at the beginning of the quarter	NIL
	Received during the quarter	NIL
	Disposed of during the quarter	NIL
	Remaining unresolved at the end of the quarter	NIL

Revenues, results and capital employed for the segments for the quarter ended September 30, 2014

Amount (Rs.In Lacs)

Sl No	Particulars	Standalone					
		Three months ended 30/09/2014	Preceding Three months ended 30/06/2014	Corresponding three months ended in the previous year 30/09/2013	Year to date figures for current period ended 30/09/2014	Year to date figures for the previous year ended 30/09/2013	Previous year ended 31/03/2014
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenues						
	Power generation/ distribution	4,863	8,271	8,672	13,134	18,065	32,307
	Rotating machines	6,180	7,091	10,001	13,271	21,150	39,051
	Others	887	510	1,974	1,397	3,605	5,387
	Total	11,930	15,872	20,647	27,802	42,820	76,745
	Less: Inter segment revenues	158	394	416	552	1,078	1,904
	Sales / Income from operations	11,772	15,478	20,231	27,250	41,742	74,841
2	Segment Results						
	Profit / (loss) before interest, depreciation and tax expense						
	Power generation/ distribution	(118)	41	275	(77)	535	617
	Rotating machines	(507)	(164)	1,241	(671)	2,018	1,603
	Others	191	164	492	355	901	1,428
	Total	(434)	41	2,008	(393)	3,454	3,648
	Less: Interest	1,158	1,080	1,039	2,238	1,974	4,194
	Less: Other unallocable expenditure (net off unallocable Income)	1,128	1,231	934	2,359	2,183	3,555
	Total profit / (loss) before tax expense & after extraordinary item	(2,720)	(2,270)	35	(4,990)	(703)	(4,101)
3	Capital Employed (Segment Assets-Segment Liabilities)						
	Power generation/ distribution	(257)	101	2,310	(257)	2,310	728
	Rotating machines	13,094	13,619	15,855	13,094	15,855	13,481
	Others	512	714	3,712	512	3,712	834
	Total capital employed in segments	13,349	14,434	21,877	13,349	21,877	15,043
	Add: Unallocable	(2,945)	(1,310)	(3,016)	(2,945)	(3,016)	420
	Total capital employed	10,404	13,124	18,861	10,404	18,861	15,463

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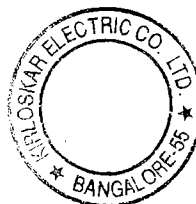
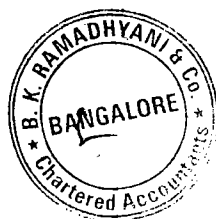
STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2014
(Standalone)

Sl No	Particulars	Amount (Rs. In Lacs)	
		As at September 30, 2014	
		(Unaudited)	(Audited)
A	EQUITY AND LIABILITIES		
1	Shareholders' funds:		
(a)	Share capital	5,052	5,052
(b)	Reserves and surplus	5,352	10,411
		10,404	15,463
2	Non - current liabilities		
(a)	Long term borrowings	6,138	6,532
(b)	Other long term liabilities	1,785	1,334
(c)	Long term provisions	1,772	1,351
		9,695	9,217
3	Current liabilities		
(a)	Short term borrowings	17,998	13,673
(b)	Trade payables	19,286	27,920
(c)	Other current liabilities	7,828	6,737
(d)	Short term provisions	883	737
		45,995	49,067
	Total	66,094	73,747
B	ASSETS:		
1	Non - current assets		
(a)	Fixed assets		
(i)	Tangible assets	11,315	11,899
(ii)	Intangible assets	98	57
(iii)	Capital work in progress	171	166
		11,584	12,122
(b)	Non - current investments	21,760	19,142
(c)	Long term loans and advances	1,897	1,773
(d)	Other non current assets	223	152
		35,464	33,189
2	Current assets		
(a)	Inventories	10,977	15,411
(b)	Trade receivables	14,016	15,664
(c)	Cash and bank balances	1,986	5,123
(d)	Short term loans and advances	1,679	1,456
(e)	Other current assets	1,972	2,904
		30,630	40,558
	Total	66,094	73,747

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on November 12, 2014.
- The financial results of the Company for the period ended September 30, 2014 has been subjected to limited review by the statutory auditors of the Company.
- The Company has provided for depreciation adopting the useful life of the assets other than Plant and Machinery and Tools as prescribed in Schedule II of the Companies Act, 2013. However Plant and Machinery and Tools are depreciated on the re-evaluated useful life assessed by internal / technical evaluation which are different from the useful life prescribed in Schedule II read with the relevant proviso thereof. If the company had continued with the previously assessed useful life, charge for depreciation and loss for the period ended September 30, 2014 would have been higher by Rs. 49.86 lakhs for the assets held as at April 01, 2014. Further, based on transitional provisions provided in clause 7(b) of Schedule II of the Companies Act, 2013, an amount of Rs 68.99 lakhs representing the carrying value of those assets which have become nil, has been charged to the retained earnings as at April 1, 2014.
- Lloyd Dynamowerke GmbH & Co. KG, Germany (LDW), a step down subsidiary of the Company, incurred substantial losses during the previous two years, thereby eroding its net worth. The local directors of LDW filed a preliminary insolvency petition on September 8, 2014 and an administrator has been appointed by the court. It is expected that preliminary proceedings will take about three months from the date of said filing resulting in a report by the administrator followed by orders of the court, based on findings of the administrator. Details of the financial results of LDW are awaited for the period ended September 30, 2014. According to information available, the operations of LDW are continuing and its bankers have assured necessary support till December 2014. The Company is exploring all options and will take necessary action including legal remedies to protect its interest. Pending completion of preliminary proceedings and decision of the Court in Germany, any provision required for diminution in the carrying value of investments held by the Company in Kirsons BV (immediate holding company of LDW) amounting to Rs. 21,704.21 lakhs as at September 30, 2014 (including share application money pending allotment of Rs 2,618 Lakhs) and any shortfall in realization of amounts due to the Company from LDW towards sale of goods amounting to Rs 1,047 lakhs cannot be ascertained. Such loss, if any will be recognized on determination of final outcome of the matter.
- 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 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: November 12, 2014



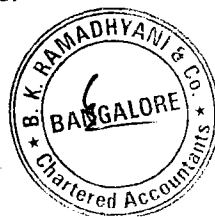
For Kirloskar Electric Company Limited

(Vijay R Kirloskar)
Executive Chairman

INDEPENDENT AUDITORS' 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 September 30, 2014, 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:**
 - (a) *Attention of the members is invited to foot note 4 to the interim financial results regarding losses incurred by Lloyd Dynamowerke GmbH & Co. KG, Germany (LDW), a step down subsidiary of the Company, its local directors filing a preliminary insolvency petition on September 8, 2014 and an administrator being appointed by the court. Management has informed us that any provision required for diminution in the carrying value of investments held by the Company in Kirsons BV (immediate holding company of LDW) amounting to Rs. 21,704 lakhs as at September 30, 2014 (including share application money pending allotment of Rs 2,618 Lakhs) and any shortfall in realization of amounts due to the Company from LDW towards sale of goods amounting to Rs 1,047 lakhs cannot be ascertained at this stage. Pending determination of the final outcome of the matter and assessment of loss by the Company, we cannot express any opinion in the matter.*
 - (b) *Trade Receivables including disallowances from customers and outstanding for more than two years and considered as good of recovery by management is estimated to be Rs. 2,692 lakhs. The relevant accounts are subject to adjustments, if required, after management completes review / reconciliation and settlement with customer. Effect on financial results, if any is not ascertainable.*



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:

We invite attention to foot note 5 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 honorable 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 the 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 Ramadhyan & Co.,
Chartered Accountants
Firm Registration No. 002878S



(C R Krishna)

Partner

Membership No. 27990

Place: Bangalore

Date: November 12, 2014

B.K. RAMDHYANI & COMPANY
CHARTERED ACCOUNTANTS
4-B, Chitrapura Bhavan,
No 68, 8th Main 15th Cross,
Malleswaram, Bangalore-560 055