

KIRLOSKAR ELECTRIC COMPANY LIMITED, BANGALORE

CIN:L31100KA1946PLC000415

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

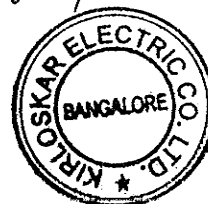
STANDALONE UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2015



(Rs in Lakhs)

Sl No	Particulars	Standalone					
		Quarter ended			Nine months ended		Year ended
		Current Three months ended 31/12/2015	Preceding Three months ended 30/09/2015	Previous year corresponding Three months ended 31/12/2014	Year to date figures for current period ended 31/12/2015	Year to date figures for previous period ended 31/12/2014	Previous year ended 31/03/2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	INCOME FROM OPERATIONS:						
a.	Net sales/ income from operations (net of excise duty)	12,268	12,822	11,635	37,784	36,764	51,081
b.	Other operating income	-	-	-	-	-	-
	Total income from operations (net)	12,268	12,822	11,635	37,784	36,764	51,081
2	Expenses						
a	Cost of materials consumed	9,873	9,060	8,667	28,624	24,958	34,904
b	Change in inventories of finished goods, work in progress and stock in trade	(702)	576	662	(101)	4,481	5,785
c	Employee benefit expenses	2,007	2,020	2,133	6,094	6,259	7,557
d	Depreciation and amortisation expenses	262	264	276	789	834	1,104
e	Other expenditure	1,856	1,626	1,802	4,961	5,143	8,240
	Total expenses	13,296	13,546	13,540	40,367	41,675	57,590
3	Profit / (loss) from operations before other income, finance costs and exceptional items (1-2)	(1,028)	(724)	(1,905)	(2,583)	(4,911)	(6,509)
4	Other income	35	41	5	145	259	330
	Profit / (loss) from ordinary activities before finance cost and exceptional items (3+4)	(993)	(683)	(1,900)	(2,438)	(4,652)	(6,179)
6	Finance costs	1,031	1,071	1,313	3,125	3,551	4,413
7	Profit / (loss) from ordinary activities after finance cost but before exceptional items (5-6)	(2,024)	(1,754)	(3,213)	(5,563)	(8,203)	(10,592)
8	Exceptional items (net)	-	-	-	-	-	2,383
9	Profit / (loss) from ordinary activities before tax (7-8)	(2,024)	(1,754)	(3,213)	(5,563)	(8,203)	(12,975)
10	Tax expense	-	-	-	-	-	-
11	Net profit / (loss) from ordinary activities after tax (9-10)	(2,024)	(1,754)	(3,213)	(5,563)	(8,203)	(12,975)
12	Extraordinary Item (net of tax expense)	2,155	-	-	2,155	-	-
13	Net profit / (loss) for the period (11+12)	131	(1,754)	(3,213)	(3,408)	(8,203)	(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 as per balance sheet of previous accounting year	NA	NA	NA	NA	NA	(2,298)
16	Earnings per share (EPS) (Rs)						
a	Basic and diluted EPS before extra ordinary items (not annualised)	(3.81)	(3.29)	(6.36)	(10.46)	(16.24)	(25.66)
b	Basic and diluted EPS after extra ordinary items (not annualised)	0.24	(3.29)	(6.36)	(6.41)	(16.24)	(25.66)

Muzey R. Chinnai



Revenues, results and capital employed for the segments for the quarter and nine months ended December 31, 2015

(Rs in Lakhs)

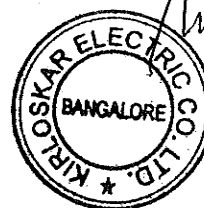
Sl No	Particulars	Standalone					
		Quarter ended			Nine months ended		Year ended
		Current Three months ended 31/12/2015	Preceding Three months ended 30/09/2015	Previous year corresponding Three months ended 31/12/2014	Year to date figures for current period ended 31/12/2015	Year to date figures for previous period ended 31/12/2014	Previous year ended 31/03/2015
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Segment Revenues*						
	Power generation/ distribution	5,387	4,975	4,500	16,215	16,615	22,873
	Rotating machines	6,821	7,663	6,692	21,158	18,862	26,657
	Others	639	947	632	2,037	2,028	2,658
	Total	12,847	13,585	11,824	39,410	37,505	52,188
	Less: Inter segment revenues	579	763	189	1,626	741	1,107
	Net sales / income from operations	12,268	12,822	11,635	37,784	36,764	51,081
2	Segment Results						
	Profit / (loss) before interest, depreciation and tax expense						
	Power generation/ distribution	(65)	32	(142)	166	(219)	14
	Rotating machines	242	86	(453)	348	(1,124)	(1,241)
	Others	224	236	129	468	484	705
	Total	401	354	(466)	982	(859)	(522)
	Less: Interest	1,031	1,071	1,313	3,125	3,551	4,413
	Less: Other unallocable expenditure (net off unallocable Income)	(761)	1,037	1,434	1,265	3,793	8,040
	Total profit / (loss) before tax expense & after extraordinary item	131	(1,754)	(3,213)	(3,408)	(8,203)	(12,975)
	Add/(less) Tax expenses	-	-	-	-	-	-
	Total profit / (loss)	131	(1,754)	(3,213)	(3,408)	(8,203)	(12,975)
3	Capital Employed (Segment Assets Segment Liabilities)						
	Power generation/ distribution	2,474	820	2,411	2,474	2,411	(705)
	Rotating machines	9,656	8,417	11,155	9,656	11,155	6,605
	Others	(2,530)	(316)	(2,194)	(2,530)	(2,194)	(273)
	Total capital employed in segments	9,600	8,921	11,372	9,600	11,372	5,627
	Add: Unallocable	(8,184)	(7,635)	(4,182)	(8,184)	(4,182)	(803)
	Total capital employed	1,416	1,286	7,190	1,416	7,190	4,824

* Recast

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 11, 2016.
- The financial results of the Company for the quarter and nine months ended December 31, 2015 has been subject to limited review by the statutory auditors.
- Registration of conveyance deeds and payment of stamp duty in respect of properties valued at Rs 600 Lakhs, conveyanced in favour of a wholly owned subsidiary as at March 31, 2015, is in progress as of date.
- Extraordinary item represents income from sale of equity shares of the Company by KECL Investment Trust, for which the Company is the sole beneficiary in terms of scheme of arrangement approved by the Honourable High Court of Karnataka under sections 391 - 394 of the Companies Act, 1956, in an earlier year.
- 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 15,344.01 lakhs as at December 31, 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.
- 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 net loss for the nine months ended December 31, 2015. 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 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.
- Reserves reported above represents Resrves and surplus as per are the audited balance sheet as at March 31, 2015 and excluding revaluation reserve Rs 208.66 Lakhs.
- Previous period/year figures have been regrouped wherever necessary to confirm with current period presentation.

Place: Bangalore
Date: February 11, 2016



(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 and nine months ended December 31, 2015, 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 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 15,344.01 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 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:**

- (a) Attention of the members is invited to note 6 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 7 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: February 11, 2016

BK RAMADHYANI & CO. LLP
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