

KIRLOSKAR ELECTRIC COMPANY LIMITED, BANGALORE

CIN:L8510KA1946PLC000415

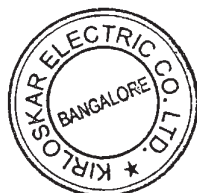
Regd Office: Industrial Suburb, Rajajinagar, Bengaluru - 560 010.

STANDALONE AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2015



SI No	Particulars	Standalone					Consolidated	
		Current Three months ended 31/03/2015	Preceding Three months ended 31/12/2014	Previous year corresponding Three months ended 31/03/2014	Year to date figures for current year ended 31/03/2015	Previous year ended 31/03/2014	Year to date figures for current year ended 31/03/2015	Previous year ended 31/03/2014
		Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
1	INCOME FROM OPERATIONS:							
a	Gross sales	15,693	12,530	16,161	55,473	74,841	55,427	105,960
	Less: excise duty	1,376	895	1,393	4,392	6,857	4,392	6,857
	Net sales/ income from operations	14,317	11,635	14,768	51,081	67,984	51,035	99,103
b.	Other operating income	-	-	-	-	-	-	-
2	Expenditure							
a	Cost of materials consumed	9,946	8,667	14,221	34,904	54,823	35,204	70,457
b	Change in inventories of finished goods, work in progress and stock in trade	1,304	662	(2,079)	5,785	(2,201)	5,439	(45)
c	Employee benefit expenses	1,298	2,133	1,955	7,557	7,888	7,557	19,835
d	Depreciation and amortisation expenses	270	276	116	1,104	1,171	1,208	2,041
e	Other expenditure	3,097	1,802	2,329	8,240	7,930	10,888	14,544
f	Total	15,915	13,540	16,542	57,590	69,611	60,291	106,832
3	Profit / (loss) from operations before other income, Finance costs and exceptional items (1 - 2f)	(1,598)	(1,905)	(1,774)	(6,509)	(1,627)	(9,256)	(7,729)
4	Other income	71	5	1,477	330	1,720	1,300	2,944
	Profit / (loss) from ordinary activities before finance cost and exceptional items (3+4)	(1,527)	(1,900)	(297)	(6,179)	93	(7,956)	(4,785)
5	Finance costs	862	1,313	1,147	4,413	4,194	4,547	4,938
6	Profit / (loss) from ordinary activities after finance cost but before exceptional items (5-6)	(2,389)	(3,213)	(1,444)	(10,592)	(4,101)	(12,503)	(9,723)
7	Exceptional items (net)	2,383	-	-	2,383	-	11,501	-
8	Profit / (loss) from ordinary activities before tax (7-8)	(4,772)	(3,213)	(1,444)	(12,975)	(4,101)	(24,004)	(9,723)
9	Tax expense	-	-	-	-	-	-	(78)
10	Net profit / (loss) from ordinary activities after tax (9-10)	(4,772)	(3,213)	(1,444)	(12,975)	(4,101)	(24,004)	(9,645)
11	Extraordinary item (net of tax expense)	-	-	-	-	-	-	(26)
12	Net profit / (loss) for the period (11+12)	(4,772)	(3,213)	(1,444)	(12,975)	(4,101)	(24,004)	(9,645)
13	Share of Profit/(Loss) from Associates	-	-	-	-	-	(28)	(26)
14	Less: Minority Interest	-	-	-	-	-	-	(247)
15	Net Profit after taxes, minority interest and share of Profit/(Loss) of associates	(4,772)	(3,213)	(1,444)	(12,975)	(4,101)	(24,032)	(9,424)
16	Paid up equity share capital (face value of Rs.10/-)	5,318	5,052	5,052	5,318	5,052	5,318	5,052
17	Reserves excluding revaluation reserves	NA	NA	NA	NA	9,930	NA	NA
18	Earnings per share (EPS)							
19	a Basic and diluted EPS before extra ordinary items (not annualised)	(9.44)	(6.36)	(2.86)	(25.66)	(8.12)	(47.53)	(18.65)
20	b Basic and diluted EPS after extra ordinary items (not annualised)	(9.44)	(6.36)	(2.86)	(25.66)	(8.12)	(47.53)	(18.65)
21	Aggregate of non-promoters shareholding							
A	Particulars of share holding							
1	Public share holding							
	-Number of shares	27,544,343	25,635,224	25,594,359	27,544,343	25,594,359	27,544,343	25,594,359
	-Percentage of Share holding	51.79%	50.74%	50.66%	51.79%	50.66%	51.79%	50.66%
2	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	25,635,224	24,886,143	24,927,008	25,635,224	24,927,008	25,635,224	24,927,008
	-Percentage of shares (as a % of the total share holding of promoter and promoter group)	100%	100%	100%	100%	100%	100%	100%
	-Percentage of shares (as a % of the total share capital of the company)	48.21%	49.26%	49.34%	48.21%	49.34%	48.21%	49.34%

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B	INVESTOR COMPLAINTS	Quarter ended March 31, 2015
	Pending at the beginning of the quarter	NIL
	Received during the quarter	1
	Disposed of during the quarter	1
	Remaining unresolved at the end of the quarter	NIL

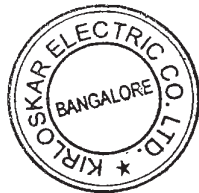
Revenues, results and capital employed for the segments for the quarter ended March 31, 2015

Amount (Rs.in Lakhs)

Amount (Rs.in Lakhs)

Sl No	Particulars	Standalone				Consolidated		
		Current three months ended 31/03/2015	Preceding Three months ended 31/12/2014	Previous year corresponding three months ended 31/03/2014	Year to date figures for current year ended 31/03/2015	Previous year ended 31/03/2014	Year to date figures for current year ended 31/03/2015	Previous year ended 31/03/2014
		Audited	Unaudited	Audited	Audited	Audited	Audited	Audited
1	Segment Revenues							
	Power generation/ distribution	6,848	4,834	6,531	24,816	32,307	24,816	32,307
	Rotating machines	8,581	7,253	9,239	29,105	39,051	29,059	70,170
	Others	630	632	938	2,659	5,387	2,659	5,387
	Total	16,059	12,719	16,708	56,580	76,745	56,534	107,864
	Less: Inter segment revenues	366	189	547	1,107	1,904	1,107	1,904
	Sales / income from operations	15,693	12,530	16,161	55,473	74,841	55,427	105,960
2	Segment Results							
	Profit / (loss) before interest, depreciation and tax expense							
	Power generation/ distribution	233	(142)	3	14	617	185	617
	Rotating machines	(117)	(453)	(163)	(1,241)	1,603	(1,113)	(2,405)
	Others	221	129	174	705	1,428	735	1,428
	Total	337	(466)	14	(522)	3,648	(192)	(360)
	Less: Interest	862	1,313	1,147	4,413	4,194	4,546	4,939
	Less: Other unallocable expenditure (net off unallocable Income)	4,247	1,434	311	8,040	3,555	19,266	4,424
	Total profit / (loss) before tax expense & after extraordinary item	(4,772)	(3,213)	(1,444)	(12,975)	(4,101)	(24,004)	(9,723)
	Add: Share of Profits/(Losses) in the Associates (net)						(28)	(26)
	Add/(less) Tax expenses							(78)
	Minority Interest-Share of Profit / (Loss)							(247)
	Total profit / (loss)	(4,772)	(3,213)	(1,444)	(12,975)	(4,101)	(24,032)	(9,424)
3	Capital Employed (Segment Assets-Segment Liabilities)							
	Power generation/ distribution	(705)	2,411	728	(705)	728	(716)	728
	Rotating machines	6,605	11,155	13,481	6,605	13,481	6,625	9,856
	Others	(273)	(2,194)	834	(273)	834	(273)	834
	Total capital employed in segments	5,627	11,372	15,043	5,627	15,043	5,626	11,418
	Add: Unallocable	(803)	(4,182)	420	(803)	420	(20,897)	490
	Total capital employed	4,824	7,190	15,463	4,824	15,463	(15,271)	11,908

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STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2015

Sl No	Particulars	Amount (Rs.in Lacs)			
		Standalone		Consolidated	
		As at March 31, 2015	As at March 31, 2014	As at March 31, 2015	As at March 31, 2014
	(Audited)	(Audited)	(Audited)	(Audited)	
A	EQUITY AND LIABILITIES				
1	Shareholders' funds:				
(a)	Share capital	6,913	5,052	6,914	5,052
(b)	Reserves and surplus	(2,089)	10,411	(22,188)	7,159
		4,824	15,463	(15,274)	12,211
	Minority interest			3	(303)
2	Non - current liabilities				
(a)	Long term borrowings	5,578	6,532	9,078	9,044
(b)	Other long term liabilities	1,771	1,334	1,770	1,334
(c)	Long term provisions	1,547	1,351	1,547	1,351
		8,896	9,217	12,395	11,729
3	Current liabilities				
(a)	Short term borrowings	15,681	13,673	15,681	21,027
(b)	Trade payables	18,944	27,920	19,055	30,997
(c)	Other current liabilities	7,772	6,737	7,856	17,108
(d)	Short term provisions	1,939	737	2,834	1,410
		44,336	49,067	45,426	70,542
	Total	58,056	73,747	42,550	94,179
B	ASSETS:				
1	Non - current assets				
(a)	Fixed assets				
(i)	Tangible assets	8,864	11,899	8,896	15,126
(ii)	Intangible assets	87	57	921	1,446
(iii)	Capital work in progress	166	166	166	239
		9,117	12,122	9,983	16,811
	Goodwill on consolidation			-	17,151
(b)	Non - current investments	6,534	19,142	81	168
	Deferred Tax (net)			-	2,175
(c)	Long term loans and advances	1,892	1,773	2,064	1,773
(d)	Other non current assets	13,960	152	292	152
		31,503	33,189	2,356	1,925
2	Current assets				
(a)	Inventories	9,294	15,411	9,340	23,378
(b)	Trade receivables	7,673	15,664	15,957	20,001
(c)	Cash and bank balances	1,983	5,123	2,011	7,289
(d)	Short term loans and advances	1,030	1,456	1,032	1,927
(e)	Other current assets	6,573	2,904	1,790	3,334
		26,553	40,558	30,130	55,929
	Total	58,056	73,747	42,550	94,179

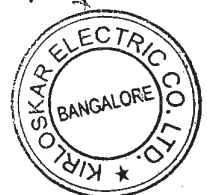
Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on May 29, 2015.
- The financial results of the Company for the year ended March 31, 2015 has been audited by the statutory auditors of the Company.
- The figures for the quarter ended March 31, 2015 represent the difference between the audited figures for the current year ended March 31, 2015 and the unaudited published year to date figures upto December 31, 2014, being the end of the third quarter of current year, which was subjected to a limited review, as required under clause 41 (1) (d) of the listing agreement.

Notes to standalone financial results

- During the year under review, the Company promoted the following wholly owned subsidiaries:
 - Kelbuzz Trading Private Limited ("KTPL")
 - SLPKG Estates Holdings Private Limited ("SEHPL")
 - SKG Terra Promenade Private Limited ("STPPL")
 - Luxquisite Parkland Private Limited ("LPPL")
- 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 on September 9, 2014 preliminary insolvency was declared and preliminary insolvency administrator was appointed by the court in Germany.
 - The Company has been given to understand that a South Korean company acquired all significant assets, patents, estates, orders and employees of LDW. However, relevant details of the consideration for this transfer and all other relevant information are not available with the Company, in spite of its best efforts. The Company has already filed its claim for an approximate value of Euro 3.52 million in respect of outstanding towards supplies made to LDW including dues of Kirsons B V (immediate holding company of LDW). The Company has also appointed a local legal counsel to represent its interest, prepare a case for recovering damages and file a case against the lenders of LDW and few other parties.
 - The Company, after obtaining necessary approvals from its members has transferred its investments in Kirsons BV to LPPL at a consideration of Rs.6,063 lakhs (fair value assessed by a firm of Chartered Accountants appointed by the Company). The resultant loss of Rs.163.84 crores has been recognised in the Statement of Profit & Loss, as an exceptional item.
- As a measure of restructuring and with the consent of the lending banks under the Joint Lender Forum (JLF) mechanism, the Company has transferred certain assets comprising of immovable properties, receivables and inventory to KTPL, STPPL and SEPL, which will function as special purpose vehicles to hold such assets, dispose off the same and pay off certain debts transferred / to be transferred by the Company. The assets transferred are as detailed below:
 - Assignment of book debts of Rs.4,759.69 lakhs, sale of certain materials of Rs.45.68 lakhs and sale of certain immovable properties of Rs.5,088 lakhs, to KTPL.
 - Assignment of book debts of Rs.4,300.07 lakhs and sale of certain immovable properties of Rs.5,518 lakhs, to SEHPL and
 - Sale of certain immovable properties amounting to Rs.3,450 lakhs to STPPL.

The fair value of all the properties have been assessed by chartered engineers appointed by the Company.
- The above transactions between the Company and its wholly owned subsidiaries in respect of transfer of immovable properties are subject to the approval of the members by way of special resolutions in terms of section 188 of the Companies Act, 2013, rule 15 (2) of the Companies (Meetings of Boards and its Powers), Rules, 2014 and other applicable provisions, if any.
- The deeds conveyancing immovable properties referred to earlier were executed before March 31, 2015 in respect of which, payment of stamp duty, registration charges and registration with the concerned Sub Registrars are pending for the properties valued at Rs 13,652.45 lakhs. The Company has been advised that these properties have already vested in the relevant subsidiaries on the date of execution of the concerned deeds, even though payment of stamp duty and registration will be done subsequently. Necessary provision has been recognised in the financial statements wherever applicable to the extent registration charges and stamp duty is payable by the Company.
- The amounts outstanding and due from the said subsidiaries as at March 31, 2015 in respect of the transfer of the assets as mentioned in para 6(a) and 6(b) are KTPL Rs 5838.48 lakhs, SEHPL Rs 9,305.49 lakhs and STPPL Rs 3,450 lakhs.



These subsidiaries are taking active steps to repay the dues of the Company, from collection of debts assigned and from disposal of assets transferred apart from debts transferred / to be transferred as referred above. These subsidiaries have been sanctioned credit facilities to an aggregate extent of Rs. 51.33 crores (net of amounts drawn).

The board of directors of the Company are confident of recovery of the entire amounts due from the said subsidiaries and accordingly the resultant profit from transfer of said assets to them aggregating to Rs. 14,001 lacs has been recognised in the Statement of Profit and Loss as exceptional income.

Notes to consolidated financial statements

7 As already set out in note 5 above, an insolvency administrator was appointed by the court in Germany in respect of LDW. As per German law from the same date, all disposals by LDW may be executed/made only with the consent of the insolvency administrator. The group has been advised that from a German legal perspective, Kirsons BV (wholly owned subsidiary of the Company) lost control over LDW on September 8, 2014 and is not in a position any longer to obtain any economic benefits from such activities, although it continues to be the major shareholder of LDW. Further, the insolvency administrator has already disposed off all significant assets, patents, estates, orders and employees of LDW to a South Korean Company and mere distribution of assets of LDW amongst its creditors is pending. The group has been given to understand that the financial statements of LDW, either for the financial year 2014-15 or for the period from April 1, 2014 to September 8, 2014 have not been prepared. Accordingly, the consolidated financial results (CFS) presented above do not include any transactions of LDW for the year. Further, since the group has lost control over LDW during the year, all assets and liabilities of LDW as at April 1, 2014 and recognised in the CFS for the financial year 2013 - 14 have been derecognised and the resultant deficit (after restoring certain intangible assets transferred from LDW to Kirsons BV in prior years and eliminated in the CFS in the year 2013 - 14 as an intra group transaction) has been recognised in the CFS for the current year as an exceptional item.

Notes common to both stand alone and consolidated financial statements

- 8 The net worth of the group in terms of the CFS presented consisting of the Company, its subsidiaries and its associate is eroded. The Company and its components have initiated several measures like identification and 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 operation, 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 the financial statements 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.
- 9 The parent company has recognized the charge for depreciation adopting the useful life of its fixed assets other than plant and machinery/tools as prescribed in schedule II of the Companies Act, 2013. However, the charge for depreciation on plant and machinery/tools has been based on the re-evaluated useful life technically assessed which are different from the useful life prescribed in schedule II of the said Act. Had the parent company continued with the rates of depreciation adopted till March 31, 2014, the charge for depreciation and loss for the quarter / year ended March 31, 2015 would have been higher by Rs. 17.90 lakhs and Rs. 87.79 lakhs respectively. Further, based on transitional provisions provided in clause 7(b) of schedule II of the Companies Act, 2013, an amount of Rs. 68.87 lakhs representing the carrying value of those assets whose residual useful life is over, has been charged to the retained earnings as at April 1, 2014.
- 10 The parent 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 parent 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.
- 11 The observations of the auditors regarding pending registration, going concern, shareholders approval and sales tax cases mentioned above are self explanatory and will not materially affect the financial results.
- 12 Previous period/year figures have been regrouped wherever necessary to confirm with current period presentation.

Place: Bangalore
Date: May 29, 2015


(Vijay R Kirloskar)
Executive Chairman

