



LIMITED REVIEW REPORT

To,
The Board of Directors
Kirloskar Electric Company Limited
Industrial Suburb, Rajajinagar
Bangalore.

We have reviewed the accompanying statement of unaudited financial results of Kirloskar Electric Company Limited ("the Company") for the quarter ended December 31, 2011 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.

We conducted our review in accordance with the Standard on Review Engagement (SRE) 2400, Engagements to Review Financial Statements 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.

Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognised accounting practices and policies 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 subject to the following:-



1. Inventories of Rs. 1,506.391 million as at December 31, 2011 adopted for compilation of unaudited financial results are as valued by management for reasons detailed in paragraph 10(ii) of our report and para 2(c) of the annexure to the said report dated May 28, 2011 to the members of the Company. Pending completion of identification of mistakes and correction and aligning the valuation with accounting standard 2, consequential impact, on the consumption of materials and components, accretion/depletion to inventories of work in progress and finished goods and profit before and after tax expense for the period ended December 31, 2011 is not ascertained.
2. The unaudited financial results of the Company for the period under review is subject to and to be read with our comments in paragraph 10 of our report dated May 28, 2011 to the members of the company on the audit of financial statements for the year ended March 31, 2011, inter alia relating to certain debtors (including debts more than 2 years of Rs. 192.600 million net of provision as at December 31, 2011 as furnished by the Company), creditors, loans and advances, balances of the Company with its erstwhile subsidiary Kaytee Switchgear Limited & the operating business of Kirloskar Power Equipment Limited, all of which are subject to review/reconciliation/identification of further doubtful debts and advances, SAP ECC 6 systems being subject to stabilization/cleansing of data at certain units, realizable value of assets held for sale amounting to Rs 80.212 million being assessed by management without support of an external valuation or quotations from prospective buyers and dues from certain companies aggregating to Rs. 33.332 million which have incurred losses and whose net worth has been partially or wholly eroded being considered as good of recovery. Effect on financial results is not ascertained.

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.,
Chartered Accountants
Firm Registration No. 0028785


(CA. C R Krishna)

Partner

Membership No. 27990

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

B K Ramadhyani & Co.,
68, 4B, 4th Floor, Chitrapur Bhavan
8th Main, 15th Cross,
Mallewaram,
Bangalore – 560 055
Date: February 08, 2012



Amount (Rs.in Lacs)

Sl No	Particulars	Quarter ended			Nine Months Ended		Year Ended
		December 31, 2011	September 30, 2011	December 31, 2010	December 31, 2011	December 31, 2010	March 31, 2011
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1 a	Gross Sales	22164	25,366	20,455	70,931	63,057	89,522
	Less: Excise Duty	1733	2,116	1,570	5,716	5,181	7,134
	Net Sales/ Income from operations	20,431	23,250	18,885	65,215	57,876	82,388
b.	Other Operating Income						
2	Expenditure						
a	(Increase)/decrease in stock in trade	(487)	(3,061)	(2,852)	(3,836)	(4,716)	(1,044)
b	Consumption of raw materials	13959	18,174	17,128	49,150	47,433	62,811
c	Purchase of traded goods	1557	1,839	421	3,806	1,040	1,542
d	Employee cost	2278	1,935	1,982	6,180	5,660	7,597
e	Depreciation	546	552	426	1,537	1,256	1,825
f	Other expenditure	1730	2,609	1,837	6,171	5,513	7,233
g	Total	19,583	22,048	18,942	63,008	56,186	79,964
3	Profit/(Loss) from Operations before other income, Interest & exceptional items (1 - 2g)	848	1,202	(57)	2,207	1,690	2,424
4	Other Income	32	87	13	189	210	365
5	Profit/(Loss) before interest and exceptional items (3+4)	880	1,289	(44)	2,396	1,900	2,789
6	Interest	706	724	656	2,127	1,842	2,576
7	Profit after interest but before exceptional items (5-6)	174	565	(700)	269	58	213
8	Exceptional Items (Net)						
9	Profit from ordinary activities before tax (7- 8)	174	565	(700)	269	58	213
10 a	Provision for Current Tax	0	1	(114)	1	42	2
b	Provision for deferred Tax						
11	Net Profit/(Loss) from ordinary activities after tax (9-10)	174	564	(586)	268	16	211
12	Extraordinary Item (net of tax expense)						
13	Net Profit/(Loss) for the period (11+12)	174	564	(586)	268	16	211
12	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 (As per Balance Sheet of Previous Accounting Year)	NA	NA	NA	NA	NA	12,658
16	Earnings Per Share (EPS)						
a	Basic & Diluted EPS before Extra ordinary items (not annualised)	0.31	1.08	(1.22)	0.42	(0.16)	0.18
b	Basic & Diluted EPS after Extra ordinary items (not annualised)	0.31	1.08	(1.22)	0.42	(0.16)	0.18
17	Aggregate of Non-Promoters Shareholding						
	Number of Shares	25,642,881	25,678,562	25,667,754	25,642,881	25,667,754	25,658,739
	Percentage of holding	50.76%	50.83%	50.81%	50.76%	50.81%	50.79%
18	Promoters and Promoter group shareholding						
a	Pledged/Encumbered						
	-Number of Shares	2,500,000	2,500,000	4,329,785	2,500,000	4,329,785	2,500,000
	-Percentage of Shares(as a % of the total share holding of promoter and promoter group)	10.05%	10.06%	17.42%	10.05%	17.42%	10.06%
	-Percentage of Shares (as a % of the total share capital of the company)	4.95%	4.95%	8.57%	4.95%	8.57%	4.95%
b	Non-Encumbered						
	-Number of Shares	22,378,486	22,342,805	20,523,828	22,378,486	20,523,828	22,362,628
	-Percentage of Shares(as a % of the total share holding of promoter and promoter group)	89.95%	89.94%	82.58%	89.95%	82.58%	89.94%
	-Percentage of Shares (as a % of the total share capital of the company)	44.29%	44.22%	40.62%	44.29%	40.62%	44.26%



Angus K. K. K.



Revenues, Results & Capital Employed for the Segments for the quarter ended December 31, 2011

Sl. No.	Particulars	Quarter ended			Nine Months Ended		Year Ended
		December 31, 2011 Unaudited	September 30, 2011 Unaudited	December 31, 2010 Unaudited	December 31, 2011 Unaudited	December 31, 2010 Unaudited	March 31, 2011 Audited
1	Segment Revenues						
	POWER GENERATION/ DISTRIBUTION	11,036	12,139	10,659	35,520	32,331	46,919
	ROTATING MACHINES	9,869	12,675	9,027	32,640	28,494	39,357
	OTHERS	1,796	1,681	965	5,238	3,540	5,396
	Total	22,701	26,495	20,651	73,398	64,365	91,672
	Less: Inter segment revenues	537	1,129	196	2,467	1,308	2,150
	Sales / Income from operations	22,164	25,366	20,455	70,931	63,057	89,522
2	Segment Results						
	Profit/Loss before interest, depreciation and tax expense						
	POWER GENERATION/ DISTRIBUTION	900	761	1,365	2,108	4,035	3,712
	ROTATING MACHINES	1008	1,470	(202)	3,222	958	3,142
	OTHERS	424	421	215	1,213	1,105	1,174
	Total	2,332	2,652	1,378	6,543	6,098	8,028
	Less: Interest	706	724	656	2,127	1,842	2,576
	Less: Other unallocable expenditure (net off unallocable income)	1,452	1,363	1,422	4,147	4,198	5,239
	Profit/Loss before tax expenses & after extraordinary item	174	565	(700)	269	58	213
3	Capital Employed (Segment Assets - Segment Liabilities)						
	POWER GENERATION/ DISTRIBUTION	890	523	2,804	890	2,804	3,458
	ROTATING MACHINES	110	363	1,463	110	1,463	2,087
	OTHERS	(575)	(341)	935	(575)	935	985
	TOTAL CAPITAL EMPLOYED IN SEGMENTS	425	545	5,202	425	5,202	6,530
	ADD: UNALLOCABLE	18212	18,488	13,939	18,212	13,939	12,435
	TOTAL CAPITAL EMPLOYED	18,637	19,033	19,141	18,637	19,141	18,965

Consolidated Key Financials

The Consolidated key figures of the Company for the Quarter ended December 31, 2011 (Unaudited and not subjected to limited review)

Sl. No.	Particulars	Quarter ended			Nine Months Ended		Year Ended
		December 31, 2011	September 30, 2011	December 31, 2010	December 31, 2011	December 31, 2010	March 31, 2011
	Gross Sales	27512	30,592	28,306	86,236	83,657	115,843
	Less: Excise Duty	1733	2,116	1,570	5,716	5,181	7,134
	Net Sales	25,779	28,476	26,736	80,520	78,476	108,709
	Net Profit/Loss (Before Extra-ordinary items & Taxation)	6	451	(562)	(291)	691	1,090
	Provision for taxation	41	64	(103)	105	74	357
	Profit/Loss After Tax	(35)	387	(459)	(396)	617	733
	Less: Minority Interest	-5	(1)	6	(14)	32	46
	Add/(Less) Share of (Loss)/Profit from associates	0	-	(23)	(7)	(23)	4
	Profit/Loss attributable to shareholders of the Company	(30)	388	(488)	(389)	562	691
	EPS Basic & Diluted (Not Annualised) Rs. Per Share before extraordinary item	(0.09)	0.74	(1.03)	(0.88)	0.92	1.13
	EPS Basic & Diluted (Not Annualised) Rs. Per Share after extraordinary item	(0.09)	0.74	(1.03)	(0.88)	0.92	0.84

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 8, 2012. The Statutory Auditors have carried out a limited review of the standalone results pursuant to clause 41 of the listing agreement.
- Earning Per Share (EPS) has been calculated after providing for preference dividend.
- During the quarter, the Company received 3 complaints from the shareholders, which have been resolved. There were no complaints remaining unresolved as at the beginning and end of the quarter.
- The company has initiated corrective action wherever necessary regarding auditors qualification in respect of certain current assets and sundry creditors mentioned in their report dated May 28, 2011 on the annual accounts for the year ended March 31, 2011, and limited review report dated November 08, 2011 for the quarter ended September 30, 2011. In the opinion of the management these qualifications are not expected to have any material impact on the financial results of the Company for the nine months ended December 31, 2011.
- Previous period/year figures have been regrouped wherever necessary to confirm with current period presentation.

 PLACE: BANGALORE
 DATE: 08/02/2012


For Kirloskar Electric Company Limited

 Vijay R Kirloskar
 Chairman & Managing Director