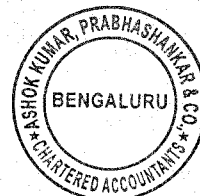
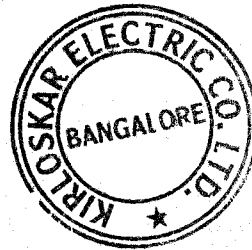




(@In Lakhs)

Sl No	Particulars	Standalone					
		Quarter ended			Six Months ended		Year ended
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
	INCOME FROM OPERATIONS:						
I	Revenue from Operations	7,157	8,415	8,369	15,572	18,697	37,913
II	Other income	61	299	361	360	834	1,541
III	Total Revenue (I+II)	7,218	8,714	8,730	15,932	19,531	39,454
IV	Expenses:						
a	Cost of materials consumed	5,146	6,638	4,274	11,784	13,177	27,385
b	Change in inventories of finished goods, work in progress and stock in trade	381	(167)	2,234	214	872	1,482
c	Excise duty on sale of goods	-	-	-	-	889	889
d	Employee benefit expense	1,610	1,660	1,802	3,270	3,656	6,765
e	Finance costs	949	837	838	1,786	1,622	3,310
f	Depreciation and amortisation expenses	194	196	265	390	541	1,064
g	Other expenses	1,258	1,228	1,634	2,486	3,480	6,242
	Total expenses	9,538	10,392	11,047	19,930	24,237	47,137
V	Profit / (loss) before exceptional and tax (III-IV)	(2,320)	(1,678)	(2,317)	(3,998)	(4,706)	(7,683)
VI	Exceptional items (net of tax expense)	-	-	-	-	-	-
VII	Profit / (loss) before tax (V-VI)	(2,320)	(1,678)	(2,317)	(3,998)	(4,706)	(7,683)
VIII	Tax expense:						
a	Current Tax	-	-	-	-	-	-
b	Deferred tax	-	-	-	-	-	-
IX	Profit / (loss) after tax (VII-VIII)	(2,320)	(1,678)	(2,317)	(3,998)	(4,706)	(7,683)
X	Other comprehensive income						
	(i) Items that will not be reclassified to profit or loss						
a	Remeasurements of the defined benefit plans	-	-	(2)	-	(4)	149
b	Taxes on above	-	-	-	-	-	(46)
	(ii) Items that may be reclassified to profit or loss						
a	Mark to Market of Investments	3	-	1	3	-	17
b	Taxes on above	(1)	-	-	(1)	-	(6)
	Total other comprehensive income	2	-	(1)	2	(4)	114
XI	Total comprehensive income for the period (IX+X)	(2,318)	(1,678)	(2,318)	(3,996)	(4,710)	(7,569)
	Paid-up equity share capital (face value of Rs. 10/- each)	6,641	6,641	6,641	6,641	6,641	6,641
	Other Equity				9,680	16,534	13,676
	Earnings per share(EPS) (face value of Rs. 10/- each)						
a	Basic EPS (not annualised)	(3.46)	(2.53)	(3.49)	(6.02)	(7.09)	(11.57)
b	Diluted EPS (not annualised)	(3.46)	(2.53)	(3.49)	(6.02)	(7.09)	(11.57)
	Paid-up debt capital/outstanding debts						
	Debt redemption reserve						
	Net worth				(14,289)	(10,356)	(10,293)
	Fixed asset coverage ratio				1.47	1.72	1.65
	Debt equity ratio				1.64	1.01	1.19
	Debt service coverage ratio (DSCR)				(0.48)	(1.20)	(0.73)
	Interest service coverage ratio (ISCR)				(1.02)	(1.57)	(1.00)

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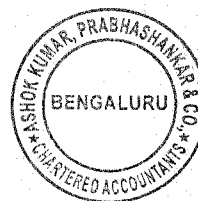
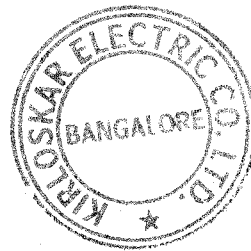
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REVENUES, RESULTS, ASSETS, LIABILITIES AND CAPITAL EMPLOYED FOR THE SEGMENTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2018

(₹In Lakhs)

Sl No	Particulars	Standalone					
		Quarter ended			6 Months ended		Year ended
		September 30, 2018	June 30, 2018	September 30, 2017	September 30, 2018	September 30, 2017	March 31, 2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenues						
	Power generation/ distribution	2,570	2,569	3,489	5,139	9,353	18,428
	Rotating machines	4,475	5,750	4,759	10,225	9,269	18,761
	Others	177	191	207	368	397	1,214
	Total	7,222	8,510	8,455	15,732	19,019	38,403
	Less: Inter segment revenues	65	95	86	160	322	490
	Revenue from operations	7,157	8,415	8,369	15,572	18,697	37,913
2	Segment Results						
	Profit / (loss) before interest and tax expense						
	Power generation/ distribution	(74)	(78)	(674)	(152)	(450)	(757)
	Rotating machines	(469)	(161)	(1,237)	(630)	(1,732)	(2,796)
	Others	56	46	33	102	86	394
	Total	(487)	(193)	(1,878)	(680)	(2,096)	(3,159)
	Less: Interest	949	837	838	1,786	1,622	3,310
	Less: Other unallocable expenditure (net off unallocable Income)	884	648	(399)	1,532	988	1,214
	Total profit / (loss) before tax expense	(2,320)	(1,678)	(2,317)	(3,998)	(4,706)	(7,683)
3	Segment Assets						
	Power generation/ distribution	8,846	10,006	11,802	8,846	11,802	11,102
	Rotating machines	26,539	27,200	30,341	26,539	30,341	27,310
	Others	6,804	6,841	7,235	6,804	7,235	6,986
	Total	42,189	44,047	49,378	42,189	49,378	45,398
	Add Unallocable Assets	29,800	29,942	28,655	29,800	28,655	30,536
	Total Segment Assets	71,989	73,989	78,033	71,989	78,033	75,934
4	Segment Liabilities						
	Power generation/ distribution	6,888	8,353	9,437	6,888	9,437	10,415
	Rotating machines	10,938	11,074	10,815	10,938	10,815	10,917
	Others	426	488	497	426	497	524
	Total	18,252	19,915	20,749	18,252	20,749	21,856
	Add Unallocable Liabilities	37,416	35,435	34,109	37,416	34,109	33,761
	Total Segment Liabilities	55,668	55,350	54,858	55,668	54,858	55,617
5	Capital Employed (Segment Assets-Segment Liabilities)						
	Power generation/ distribution	1,958	1,653	2,365	1,958	2,365	687
	Rotating machines	15,601	16,125	19,526	15,601	19,526	16,393
	Others	6,378	6,354	6,738	6,378	6,738	6,462
	Total capital employed in segments	23,937	24,132	28,629	23,937	28,629	23,542
	Add: Unallocated	(7,616)	(5,493)	(5,454)	(7,616)	(5,454)	(3,225)
	Total capital employed	16,321	18,639	23,175	16,321	23,175	20,317

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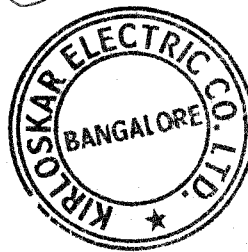
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STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2018

(Bin Lakhs)

Particulars	As at September	As at March 31,
	30, 2018	2018
	(Unaudited)	(Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	39,471	39,830
(b) Capital work-in-progress	7	8
(c) Investment Property	147	147
(d) Other Intangible assets	8	11
(e) Financial assets		
(i) Investments	7,056	7,053
(ii) Trade Receivables	536	706
(iii) Other financial assets	183	52
(f) Other non-current assets	2,820	12,443
Total Non-current assets	50,228	60,250
Current assets		
(a) Inventories	5,161	5,473
(b) Financial assets		
(i) Trade receivables	2,321	3,935
(ii) Cash and cash equivalents	897	1,154
(iii) Other Bank balances	625	1,092
(c) Other current assets	12,757	4,030
Total Current assets	21,761	15,684
TOTAL ASSETS	71,989	75,934
EQUITY AND LIABILITIES		
Shareholders' funds		
(a) Share capital	6,641	6,641
(b) Other equity	9,680	13,676
TOTAL EQUITY	16,321	20,317
LIABILITIES		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	10,456	4,963
(ii) Other financial liabilities	1,136	1,256
(b) Provisions	2,054	1,859
(c) Deferred tax liabilities (net)	2,974	2,973
Total Non current liabilities	16,620	11,051
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	15,363	17,252
(ii) Trade payables		
(i) micro and small enterprises, and	68	109
(ii) other than micro and small enterprises	9,275	14,781
(iii) Other financial liabilities	2,130	1,961
(b) Provisions	2,591	2,451
(c) Other current liabilities	9,621	8,012
(d) Current tax liabilities (net)	-	-
Total Current liabilities	39,048	44,566
TOTAL EQUITY AND LIABILITIES	71,989	75,934

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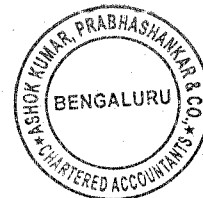
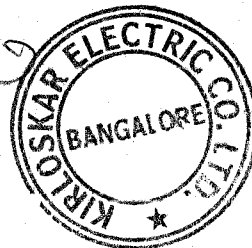


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Notes:

- 1 The above unaudited financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on November 13, 2018.
- 2 The unaudited financial results of the Company for the quarter and six months ended September 30, 2018 have been subject to limited review by its Statutory auditors.
- 3 The Company has prepared these Standalone financial results in accordance with the Indian Accounting Standards (Ind AS) as prescribed under Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standard) Rules, 2015 and relevant amendment rules thereafter and the other accounting principles generally accepted in India.
- 4 The format for Standalone results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with the requirements of SEBI's circular dated July 05, 2016, Ind AS and Schedule III of the Companies Act, 2013 applicable to the Companies that are required to comply with Ind AS.
- 5 As a measure of restructuring and with the consent of Leading Bank and other 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 subsidiaries as at September 30, 2018 in respect of the transfer of the assets as mentioned above, other expenses incurred by the subsidiaries reimbursed by the Company and interest charged totally amounts to ₹14,865.27 lakhs (₹ 13,928.01 lakhs as at September 30, 2017) after considering Ind AS adjustments. 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. The Board of Directors are confident of recovering all dues. However, based on expected credit losses as prescribed under Ind AS as against the incurred loss model envisaged under earlier GAAP, a sum of ₹2,970.77 lakhs has been provided upto September 30, 2018.
- 6 During the previous quarter ended June 30, 2018, Company Bankers Axis Bank had assigned its total debts due (excluding the Bank Guarantee Limits) in the Company and one of its subsidiary, Kelbuzz Trading Private Limited alongwith the underlying financial documents together with rights, benefits and obligations' there under to Asset Reconstruction Company (India) Ltd (ARCIL). As on date of results, the Company is yet to receive the Terms of Assignment Document, pending which no effect has been given in the books of account for the quarter and six months ended September 30, 2018.
- 7 The net worth (after excluding revaluation reserve) of the group in terms of the consolidated financial statements as at March 31, 2018 consisting of the Company, its subsidiaries and its associate is eroded. The Company has incurred losses for the quarter under review. There were certain overdues in respect of banks and creditors. 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, capital raising plans etc. The Company is in advanced stage of negotiation for funding arrangements with various parties which will improve the performance in forthcoming periods. The Company is confident that this funding arrangement will have a positive impact on the net worth of the Company. 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.

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- 8 a. The Company has filed before the honorable Supreme Court, special leave petition (SLP) in respect of resale tax and sales tax penalty demand of ₹527 lakhs and ₹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. This SLP has been admitted by the honorable Supreme Court.
- b. The Company also approached the Karnataka Sales tax authorities seeking settlement of the Sales tax penalty referred to above under 'Karasamadhana Scheme 2017'(Scheme) which involves settlement of the matter by payment of 10% of the amount of penalty and withdrawing the appeal before the honorable Supreme Court. However, the same could not be resolved due to certain interpretation issues of the Scheme and demand for certain amount as further tax payment without considering the amounts already paid by the Company. Consequently, the Company filed a writ petition in the honorable High Court of Karnataka challenging the scheme on grounds of discrimination and seeking specific reliefs. The honorable High Court of Karnataka has passed the order on October 01, 2018, has made it clear that the deposit of Penalty amount made by the Company so far under the interim orders of the honorable High Court of Karnataka and honorable Supreme Court, shall be considered as Deposit made under the provisions of the said scheme subject to the final order by the appropriate authority in terms of the scheme for the adjustment of such deposited amount of Penalty.
- c. The Company received a reassessment order under Karnataka Value Added Tax Act, 2003 ("KVAT") in an earlier year for the period April 2009 to March 2010 essentially denying input credit and making certain other disallowances and consequently, raised a demand of ₹893 lakhs. According to the Company the said order was passed based on incorrect interpretation of law. The Company was legally advised that the said order is not sustainable and consequently a writ petition was filed in the honorable High Court of Karnataka seeking relief from the said order and quashing of the same. The honorable High Court of Karnataka disposed the writ petition made by the company on January 10, 2018 and has passed the order setting aside for passing the fresh order in accordance with the law by the assessing authorities.

Under the above circumstances, 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.

9 Goods and Service Tax (GST) has been implemented w.e.f., July 01, 2017 and therefore the revenue from operations from July 1, 2017 to March 31, 2018 is net of GST. The Revenue from operations and expenses for the six months ended September 30, 2017 and year ended March 31, 2018 is inclusive of excise duty and hence not comparable with the corresponding figure for the quarter and six months ended September 30, 2018.

10 Details of Secured Redeemable Non-Convertible Debentures - NIL

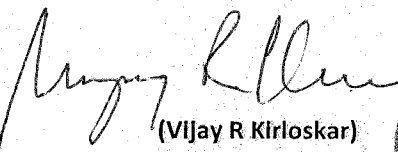
11 The following have been computed as:

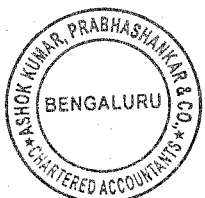
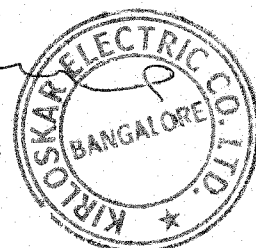
- a) Paid up debt capital/outstanding debt= Total outstanding short term and long term borrowings
b) Debt equity ratio= aggregate of total debts/(shareholders' funds less miscellaneous expenditure to the extent not written off)
c) DSCR= Earnings before finance cost, depreciation and tax/(long Term loan principal repaid+finance cost)
d) ISCR= Earnings before finance cost, depreciation and tax/finance cost.
f) Fixed asset coverage ratio= Total plant, property & equipments/ Total borrowings

12 Previous period figures have been regrouped wherever necessary to confirm with current period presentation.

Place: Bengaluru

Date: November 13, 2018


(Vijay R Kirloskar)
Executive Chairman





ASHOK KUMAR, PRABHASHANKAR & CO.
CHARTERED ACCOUNTANTS
S-2, Narayana, 25, Mission Road, Shama Rao Compound
Bengaluru - 560 027. India
Telefax: +91-80-22237045, +91-80-22241284
e-mail: knp@akpco.com

Limited Review Report

To,
The Board of Directors
Kirloskar Electric Company Limited
Bengaluru.

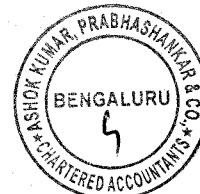
We have reviewed the accompanying statement of unaudited financial results of **Kirloskar Electric Company Limited ("the Company")** for the quarter and half year ended September 30, 2018, being submitted by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016. 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 unaudited financial statements based on our review.

We conducted our review in accordance with the Standards 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.

Basis of Qualified Opinion:

Attention of the Directors is invited to note 5 to the unaudited financial results regarding amounts due to the Company from certain subsidiaries towards part consideration receivable on sale/assignment of certain immovable properties, interest charged and expenses reimbursed. We have relied on the representation that it is confident of realization of amounts due to the said subsidiaries aggregating to Rs.14,865 lakhs against which provision is recognized for an amount of Rs.2,971 lakhs. Pending disposals/realization of assets by the subsidiaries, shortfall in realization of the amount outstanding (net of provision), if any, could not be ascertained.

Based on our review conducted as above except in respect of matters stated in the paragraph on "Basis of Qualified Opinion" and read with note 5 to the unaudited financial results, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the applicable Indian Accounting Standards (Ind AS) as specified under Section 133 of the Companies Act 2013 read with relevant rules issued thereunder and other recognised accounting practices and policies generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 05, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

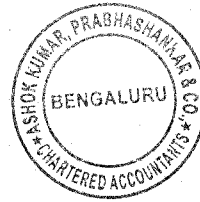


Emphasis of Matter:

Without modifying our opinion, we invite the attention of the directors to:

- a) Note 7 of the unaudited financial results, where the Company has detailed the reasons for preparing these unaudited financial results on a going concern basis, though the Company/Group (consisting of the Company, its subsidiaries and associate) have incurred losses and their net worth is eroded. There are certain overdue payments to creditors and banks. The appropriateness of the said basis is subject to the Company adhering to the restructuring plan and infusion of requisite funds, with its attendant uncertainties. We have relied on the representation made by the Company.
- b) Note 8.a of the unaudited financial results, which states that the Company has filed Special Leave Petition in respect of demands of resale tax and sales tax penalty of Rs.527 lakhs and Rs.362 lakhs before the honorable Supreme Court of India.
- c) Note 8.c of the unaudited financial results, which states that the Company has filed a Writ Petition in the honorable High Court of Karnataka challenging the demand of Karnataka Value Added Tax, 2003 of Rs.893 lakhs.

In respect of both the matters detailed in paragraph (b) and (c) above, 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 such representations.



For Ashok Kumar, Prabhashankar & Co.,
Chartered Accountants
Firm Regn. No. 004982S

All
A. Umesh Patwardhan
Partner
M. No. 222945

Place: Bengaluru
Date: November 13, 2018