

KIRLOSKAR ELECTRIC COMPANY LIMITED, BANGALORE

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

UNAUDITED (REVIEWED) FINANCIAL RESULTS FOR THE PERIOD ENDED DECEMBER 31, 2010

Amount (Rs.in Lacs)

| Sl No | Particulars | Quarter ended | | Nine Months Ended | | Year Ended |
|-------|--|----------------------|----------------------|----------------------|----------------------|----------------|
| | | December 31, 2010 | December 31, 2009 | December 31, 2010 | December 31, 2009 | March 31, 2010 |
| | | Reviewed | Reviewed | Reviewed | Reviewed | Audited |
| 1 a | Gross Sales | 20,455 | 22,806 | 63,057 | 66,465 | 90,557 |
| | Less : Excise Duty | 1,570 | 1,557 | 5,181 | 4,682 | 6,484 |
| | Net Sales/ Income from operations | 18,885 | 21,249 | 57,876 | 61,783 | 84,073 |
| b. | Other Operating Income | - | - | - | - | - |
| 2 | Expenditure | | | | | |
| a | (Increase)/decrease in stock in trade | (2,852) | 720 | (4,716) | (1,368) | (969) |
| b | Consumption of raw materials | 17,128 | 14,525 | 47,433 | 44,788 | 61,115 |
| c | Purchase of traded goods | 421 | 281 | 1,040 | 786 | 1,366 |
| d | Employee cost | 1,982 | 1,753 | 5,660 | 5,707 | 7,556 |
| e | Depreciation | 426 | 289 | 1,256 | 1,224 | 1,579 |
| f | Other expenditure | 1,837 | 1,697 | 5,513 | 4,786 | 7,625 |
| g | Total | 18,942 | 19,265 | 56,186 | 55,923 | 78,272 |
| 3 | Profit/(Loss) from Operations before other income, Interest & exceptional items (1 - 2g) | (57) | 1,984 | 1,690 | 5,860 | 5,801 |
| 4 | Other Income | 13 | 101 | 210 | 276 | 1,195 |
| 5 | Profit/ (Loss) before interest and exceptional items (3+4) | (44) | 2,085 | 1,900 | 6,136 | 6,996 |
| 6 | Interest | 656 | 591 | 1,842 | 1,687 | 2,257 |
| 7 | Profit/(Loss) after interest but before exceptional items (5-6) | (700) | 1,494 | 58 | 4,449 | 4,739 |
| 8 | Exceptional Items (Net) | - | - | - | - | - |
| 9 | Profit/(Loss) from ordinary activities before tax (7- 8) | (700) | 1,494 | 58 | 4,449 | 4,739 |
| 10 a | Provision for Current Tax | (114) | 293 | 42 | 795 | 1,050 |
| b | Provision for deferred Tax | - | - | - | - | - |
| 11 | Net profit/(Loss) from ordinary activities after tax (9-10) | (586) | 1,201 | 16 | 3,654 | 3,689 |
| 12 | Extraordinary Item (net of tax expense) | - | - | - | - | 70 |
| 13 | Net profit/(Loss) for the period (11+12) | (586) | 1,201 | 16 | 3,654 | 3,759 |
| 12 | Paid up Equity Share Capital (face value of Rs. 10/-) | 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 | 12,448 |
| 16 | Earnings Per Share (EPS) | | | | | |
| a | Basic & Diluted EPS before Extra ordinary items (not annualised) | (1.22) | 2.29 | (0.16) | 6.95 | 6.95 |
| b | Basic & Diluted EPS after Extra ordinary items (not annualised) | (1.22) | 2.29 | (0.16) | 6.95 | 7.09 |
| 17 | Aggregate of Non-Promoters Shareholding | | | | | |
| | Number of Shares | 25,667,754 | 25,688,913 | 25,667,754 | 25,688,913 | 25,685,164 |
| | Percentage of holding | 50.81% | 50.85% | 50.81% | 50.85% | 50.84% |
| 18 | Promoters and Promoter group shareholding | | | | | |
| a | Pledged/Encumbered | | | | | |
| | -Number of Shares | 4,329,785 | 5,329,785 | 4,329,785 | 5,329,785 | 5,329,785 |
| | -Percentage of Shares(as a % of the total share holding of promoter and promoter group) | 17.42% | 21.46% | 17.42% | 21.46% | 21.46% |
| | -Percentage of Shares (as a % of the total share capital of the company) | 8.57% | 10.55% | 8.57% | 10.55% | 10.55% |
| b | Non-Encumbered | | | | | |
| | -Number of Shares | 20,523,828 | 19,502,669 | 20,523,828 | 19,502,669 | 19,506,418 |
| | -Percentage of Shares(as a % of the total share holding of promoter and promoter group) | 82.58% | 78.54% | 82.58% | 78.54% | 78.54% |
| | -Percentage of Shares (as a % of the total share capital of the company) | 40.62% | 38.60% | 40.62% | 38.60% | 38.61% |

Revenues, Results & Capital Employed for the Segments for the quarter ended December 31, 2010
(Rs. In lacs)

| | Particulars | Quarter ended | | Nine Months Ended | | Year Ended |
|---|--|-------------------|-------------------|-------------------|-------------------|----------------|
| | | December 31, 2010 | December 31, 2009 | December 31, 2010 | December 31, 2009 | March 31, 2010 |
| | | Reviewed | Reviewed | Reviewed | Reviewed | Audited |
| 1 | Segment Revenues | | | | | |
| | POWER GENERATION/ DISTRIBUTION | 10,659 | 10,491 | 32,331 | 33,165 | 46,269 |
| | ROTATING MACHINES | 9,027 | 11,702 | 28,494 | 31,487 | 41,333 |
| | OTHERS | 965 | 1,332 | 3,540 | 3,567 | 4,892 |
| | Total | 20,651 | 23,525 | 64,365 | 68,219 | 92,494 |
| | Less: Inter segment revenues | 196 | 719 | 1,308 | 1,754 | 1,937 |
| | Sales /Income from operations | 20,455 | 22,806 | 63,057 | 66,465 | 90,557 |
| 2 | Segment Results | | | | | |
| | Profit before interest, depreciation and tax expense | | | | | |
| | POWER GENERATION/ DISTRIBUTION | 1,365 | 2,162 | 4,035 | 5,968 | 6,732 |
| | ROTATING MACHINES | (202) | 446 | 958 | 2,750 | 3,240 |
| | OTHERS | 215 | 477 | 1,105 | 1,600 | 1,964 |
| | Total | 1,378 | 3,085 | 6,098 | 10,318 | 11,936 |
| | Less: Interest | 656 | 591 | 1,842 | 1,687 | 2,257 |
| | Less: Other unallocable expenditure (net off unallocable Income) | 1,422 | 1,000 | 4,198 | 4,182 | 4,870 |
| | Total profit/(loss) before tax expense and after extraordinary ite | (700) | 1,494 | 58 | 4,449 | 4,809 |
| 3 | Capital Employed(Segment Assets-Segment Liabilities) | | | | | |
| | POWER GENERATION/ DISTRIBUTION | 2,804 | 4,828 | 2,804 | 4,828 | 6,793 |
| | ROTATING MACHINES | 1,463 | 15,107 | 1,463 | 15,107 | 1,810 |
| | OTHERS | 935 | 133 | 935 | 133 | 1,412 |
| | TOTAL CAPITAL EMPLOYED IN SEGMENTS | 5,202 | 20,068 | 5,202 | 20,068 | 10,015 |
| | ADD: UNALLOCABLE | 13,939 | (226) | 13,939 | (226) | 9,512 |
| | TOTAL CAPITAL EMPLOYED | 19,141 | 19,842 | 19,141 | 19,842 | 19,527 |

Consolidated Key Financials
The Consolidated key figures of the Company for the quarter ended December 31, 2010

(Not Subject to limited Review)

(Rs. In lacs)

| | Particulars | Quarter ended | | Nine Months Ended | | Year Ended |
|--|---|-------------------|-------------------|-------------------|-------------------|----------------|
| | | December 31, 2010 | December 31, 2009 | December 31, 2010 | December 31, 2009 | March 31, 2010 |
| | Gross Sales | 28,306 | 30,769 | 83,657 | 93,043 | 124,769 |
| | Less : Excise Duty | 1,570 | 1,557 | 5,181 | 4,682 | 6,484 |
| | Net Sales | 26,736 | 29,212 | 78,476 | 88,361 | 118,285 |
| | Net Profit/(Loss) (Before Extra-ordinary items & Taxation) | (562) | 2,016 | 691 | 5,251 | 6,331 |
| | Provision for taxation | (103) | 341 | 74 | 925 | 1,145 |
| | Profit/(Loss) After Tax | (459) | 1,675 | 617 | 4,326 | 5,186 |
| | Less: Minority Interest | 6 | 12 | 32 | 41 | 63 |
| | Add/(Less) Share of (Loss)/Profit from associates | (23) | (15) | (23) | (27) | (27) |
| | Profit/(Loss) attributable to shareholders of the Company | (488) | 1,648 | 562 | 4,258 | 5,096 |
| | EPS Basic & Diluted (Not Annualised) Rs. Per Share before extraordinary item | (1.03) | 3.16 | 0.92 | 8.14 | 9.59 |
| | EPS Basic & Diluted (Not Annualised) Rs. Per Share after extraordinary item | (1.03) | 3.16 | 0.92 | 8.14 | 9.73 |

Notes:

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors at their meeting held on February 14, 2011.
- The above results are subjected to limited review by the auditors of the Company.
- Earning Per Share (EPS) has been calculated after providing for preference dividend.
- During the quarter, the Company received 11 complaints from the shareholders, which have been resolved. There were no complaints remaining unresolved as at the beginning and end of the quarter.
- Auditors' observations as mentioned in their report dated July 10, 2010 on the annual accounts for the year ended March 31, 2010 and limited review reports of the previous quarters and are not expected to have material impact on the financial results of the Company for the Nine months ended December 31, 2010.

- 6 The Company has implemented SAP ECC 6 Systems at major units of the Rotating Machines Group during the period under review. Substantial time was spent on configuration of systems, training, reengineering of operating systems, data migration and implementation. This interalia resulted in drop in production and sales of this group during the nine months period ended December 31, 2010. Continuous efforts are being taken to cleanse data and stabilize systems. Mangement is hopeful that performance of the Company will improve.
- 7 Previous period/year figures have been regrouped wherever necessary to confirm with current period presentation.

For Kirloskar Electric Company Limited

PLACE: BANGALORE
DATE: 14/02/2011

(Vijay R Kirloskar)
Chairman & Managing Director