

**KEC International Limited**

Regd Office : RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030

PART I							(Rs. in lacs)
Statement of Consolidated Unaudited Results for the Quarter and Six Months ended 30/09/2014							
Particulars	Quarter ended			Six Months ended		Year ended	
	30/09/2014 (Unaudited)	30/06/2014 (Unaudited)	30/09/2013 (Unaudited)	30/09/2014 (Unaudited)	30/09/2013 (Unaudited)	31/03/2014 (Audited)	
<b>1 Income from operations</b>							
(a) Net Sales / income from operations (Net of excise duty)	214012	169412	174400	383424	346244	778663	
(b) Other operating income	3256	2662	3396	5918	6195	11520	
<b>Total income from operations (net)</b>	<b>217268</b>	<b>172074</b>	<b>177796</b>	<b>389342</b>	<b>352439</b>	<b>790183</b>	
<b>2 Expenses</b>							
(a) Cost of materials consumed	127581	95577	103052	223158	191352	419914	
(b) Purchase of stock-in-trade	-	-	-	-	-	-	
(c) Changes in inventories of finished goods, work-in-progress, scrap and stock-in-trade	1609	(9342)	(7797)	(7733)	(9360)	(10014)	
(d) Erection & subcontracting expenses	38551	41717	39525	80268	84174	186039	
(e) Employee benefits expense	14921	14837	14742	29758	27877	56610	
(f) Depreciation and amortisation expense (net)	2223	2097	1840	4320	3503	7052	
(g) Other expenses	22524	19111	17087	41635	38401	88308	
<b>Total expenses</b>	<b>207409</b>	<b>163997</b>	<b>168449</b>	<b>371406</b>	<b>335947</b>	<b>747909</b>	
<b>3 Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>9859</b>	<b>8077</b>	<b>9347</b>	<b>17936</b>	<b>16492</b>	<b>42274</b>	
<b>4 Other income</b>	<b>109</b>	<b>149</b>	<b>252</b>	<b>258</b>	<b>820</b>	<b>1379</b>	
<b>5 Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>9968</b>	<b>8226</b>	<b>9599</b>	<b>18194</b>	<b>17312</b>	<b>43653</b>	
<b>6 Finance costs</b>	<b>9095</b>	<b>6596</b>	<b>6484</b>	<b>15691</b>	<b>12362</b>	<b>26327</b>	
<b>7 Profit from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>873</b>	<b>1630</b>	<b>3115</b>	<b>2503</b>	<b>4950</b>	<b>17326</b>	
<b>8 Exceptional item (VRS expenditure) (Refer Note 5 below)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1816</b>	<b>1816</b>	
<b>9 Profit from ordinary activities before tax (7-8)</b>	<b>873</b>	<b>1630</b>	<b>3115</b>	<b>2503</b>	<b>3134</b>	<b>15510</b>	
<b>10 Tax expense (Refer Note 3 below)</b>	<b>(1155)</b>	<b>494</b>	<b>906</b>	<b>(661)</b>	<b>1809</b>	<b>8834</b>	
<b>11 Net Profit / (Loss) from ordinary activities after tax (9-10)</b>	<b>2028</b>	<b>1136</b>	<b>2209</b>	<b>3164</b>	<b>1325</b>	<b>6676</b>	
<b>12 Extraordinary item</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>13 Net Profit / (Loss) for the period (11-12)</b>	<b>2028</b>	<b>1136</b>	<b>2209</b>	<b>3164</b>	<b>1325</b>	<b>6676</b>	
<b>14 Share of profit / (loss) of associates</b>	<b>2</b>	<b>0.49</b>	<b>-</b>	<b>3</b>	<b>-</b>	<b>(0.49)</b>	
<b>15 Minority interest</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>16 Net Profit / (Loss) after taxes, minority interest and share of profit/ (loss) of associates (13-14-15)</b>	<b>2030</b>	<b>1137</b>	<b>2209</b>	<b>3167</b>	<b>1325</b>	<b>6675</b>	
<b>17 Paid-up equity share capital (Face Value Rs. each)</b>	<b>5142</b>	<b>5142</b>	<b>5142</b>	<b>5142</b>	<b>5142</b>	<b>5142</b>	
	<b>(2/-)</b>	<b>(2/-)</b>	<b>(2/-)</b>	<b>(2/-)</b>	<b>(2/-)</b>	<b>(2/-)</b>	
<b>18 Reserve excluding Revaluation Reserves as per balance sheet of previous accounting year</b>						<b>114017</b>	
<b>19 Debenture Redemption Reserve</b>							
<b>20 Basic and diluted Earnings Per Share (Rs.) - Before and after extraordinary item (Not annualised)</b>	<b>0.79</b>	<b>0.44</b>	<b>0.86</b>	<b>1.23</b>	<b>0.52</b>	<b>2.60</b>	
<b>21 Debt Equity Ratio [Refer Note 6 (ii)]</b>				<b>0.79</b>			
<b>22 Debt Service Coverage Ratio [Refer Note 6 (ii)]</b>				<b>0.89</b>			
<b>23 Interest Service Coverage Ratio [Refer Note 6 (ii)]</b>				<b>1.54</b>			
See accompanying notes to the Consolidated financial results							
PART II Select Information for the Quarter and Six Months ended 30/09/2014							
Particulars	Quarter ended			Six Months ended		Year ended	
	30/09/2014 (Unaudited)	30/06/2014 (Unaudited)	30/09/2013 (Unaudited)	30/09/2014 (Unaudited)	30/09/2013 (Unaudited)	31/03/2014 (Audited)	
<b>A PARTICULARS OF SHAREHOLDING</b>							
<b>1 Public shareholding</b>							
- Number of shares	128,517,250	128,517,250	134,426,213	128,517,250	134,426,213	130,054,505	
- Percentage of shareholding	49.99%	49.99%	52.29%	49.99%	52.29%	50.59%	
<b>2 Promoters and Promoter Group Shareholding</b>							
<b>a) Pledged/Encumbered</b>							
- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil	
- Percentage of shares (as a % of the total shareholding of Promoters and Promoter group)	Nil	Nil	Nil	Nil	Nil	Nil	
- Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil	
<b>b) Non-encumbered</b>							
- Number of shares	128,571,120	128,571,120	122,662,157	128,571,120	122,662,157	127,033,865	
- Percentage of shares (as a % of the total shareholding of Promoters and Promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
- Percentage of shares (as a % of the total share capital of the Company)	50.01%	50.01%	47.71%	50.01%	47.71%	49.41%	
<b>B INVESTOR COMPLAINTS</b>							
Pending at the beginning of the quarter						2	
Received during the quarter						4	
Disposed of during the quarter						4	
Remaining unresolved at the end of the quarter						2	

**Notes :**

- The above results of the Company, its Subsidiaries and Jointly Controlled Entities (the Group) and an Associate were reviewed by the Audit Committee at its meeting held on October 30, 2014 and approved by the Board of Directors at its meeting held on October 31, 2014.
- The statutory auditors of the Company have conducted a "Limited Review" of the above Consolidated Unaudited Financial Results.
- Tax expense includes:

Particulars	Quarter ended			Six Months ended		Year ended
	30/09/2014 (Unaudited)	30/06/2014 (Unaudited)	30/09/2013 (Unaudited)	30/09/2014 (Unaudited)	30/09/2013 (Unaudited)	31/03/2014 (Audited)
Tax adjustments pertaining to earlier years	-	-	-	-	352	963

- 4 The execution of the construction works under contracts of the Company with General Electric Company, Libya (a Government of Libya undertaking) is disrupted since February 2011 due to civil/political unrest in that country. The net assets (including fixed assets, trade receivables etc.) as at September 30, 2014 of the Company relating to these contracts aggregate Rs.6025 lacs. The Company is confident of completing these projects.
- 5 The production of Cables at Thane factory of the Company has been discontinued from February 11, 2013 and the Company has given voluntary retirement scheme to all the workers at a cost of Rs. 1816 lacs. The Company signed an "Agreement for Sale" dated March 29, 2014 for sale of land to M/s Ardent Properties Pvt. Ltd. (a 100% subsidiary of Tata Housing Development Company Limited) for a consideration of approx. Rs. 21234 lacs and expects to complete all formalities shortly.
- 6(i) During the quarter, the Company has allotted 750 secured, redeemable, non-convertible debentures of the face value of Rs. 10,00,000 each, aggregating Rs. 7500 lacs on private placement basis. These debentures have been listed and admitted to dealing on debt segment of BSE Limited w.e.f. 4<sup>th</sup> September 2014.
- 6(ii) The formula used for calculation of ratios is as under:  
a) Debt Equity Ratio = Term loans and debentures / Shareholder's funds  
b) Debt Service Coverage Ratio = Profit before Depreciation, Interest and Tax / (Interest + Principal repayment of long term loans)  
c) Interest Service Coverage Ratio = Profit before Depreciation, Interest and Tax / Interest

7 Consolidated Statement of Assets and Liabilities

Particulars	(Rs. in lacs)	
	As at 30/09/2014 (Unaudited)	As at 31/03/2014 (Audited)
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a) Share capital	5142	5142
(b) Reserves and surplus	117548	114017
(c) Money received against share warrants	-	-
Sub-total - Shareholders' funds	122690	119159
<b>2 Share application money pending allotment</b>	-	-
<b>3 Minority interest</b>	-	-
<b>4 Non-current liabilities</b>		
(a) Long-term borrowings	80157	60260
(b) Deferred tax liabilities (net)	7198	7308
(c) Other long-term liabilities	1000	1000
(d) Long-term provisions	1079	1007
Sub-total - Non-current liabilities	89434	69575
<b>5 Current liabilities</b>		
(a) Short-term borrowings	163169	120687
(b) Trade payables	313156	321306
(c) Other current liabilities	86312	98904
(d) Short-term provisions	8589	11506
Sub-total - Current liabilities	571226	552403
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>783350</b>	<b>741137</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed assets	97562	99221
(b) Goodwill on consolidation	38960	37777
(c) Non-current investments	3	-
(d) Deferred tax assets (net)	2566	2171
(e) Long-term loans and advances	25922	19766
(f) Other non-current assets	13289	13123
Sub-total - Non-current assets	178302	172058
<b>2 Current assets</b>		
(a) Current investments	-	-
(b) Inventories	57160	50523
(c) Trade receivables	394502	380780
(d) Cash and cash equivalents	16693	14401
(e) Short-term loans and advances	61996	51298
(f) Other current assets	74697	72077
Sub-total - Current assets	605048	569079
<b>TOTAL - ASSETS</b>	<b>783350</b>	<b>741137</b>

8 The Group is primarily engaged in the business of Engineering, Procurement and Construction (EPC). As such there is no separate reportable segment as defined by the Accounting Standard (AS) 17 - "Segment Reporting".

9 Information of standalone unaudited financial results is as under: -

Particulars	(Rs. in lacs)					
	Quarter ended			Six Months ended		Year ended
	30/09/2014 (Unaudited)	30/06/2014 (Unaudited)	30/09/2013 (Unaudited)	30/09/2014 (Unaudited)	30/09/2013 (Unaudited)	31/03/2014 (Audited)
Turnover (Net of excise duty)	163219	136767	147953	299986	290758	644523
Profit / (Loss) before tax	(5139)	1438	1094	(3701)	27	15086
Profit / (Loss) after tax	(3283)	949	815	(2334)	(130)	8559

10 The Company has opted to publish only Consolidated Unaudited Financial Results. The Standalone Unaudited Financial Results for the quarter and six months ended September 30, 2014 of the Company will be available on the website of the Company, BSE Limited, National Stock Exchange of India Limited and MCX Stock Exchange Limited.

11 Previous periods' figures have been regrouped / reclassified wherever necessary.

For KEC INTERNATIONAL LIMITED

Place : Mumbai  
Date : October 31, 2014

R. D. CHANDAK  
MANAGING DIRECTOR

Visit us at [www.kecprg.com](http://www.kecprg.com)

**KEC International Limited**

Regd Office : RPG House, 463, Dr. Annie Besant Road, Worli, Mumbai - 400 030

PART I							(Rs. in lacs)
Statement of Standalone Unaudited Results for Quarter and Six Months ended 30/09/2014							
Particulars	Quarter ended			Six Months ended		Year ended	
	30/09/2014 (Unaudited)	30/06/2014 (Unaudited)	30/09/2013 (Unaudited)	30/09/2014 (Unaudited)	30/09/2013 (Unaudited)	31/03/2014 (Audited)	
<b>1 Income from operations</b>							
(a) Net sales / income from operations (Net of excise duty)	163219	136767	147953	299986	290758	644523	
(b) Other operating income	3079	2662	3110	5741	5560	11354	
<b>Total income from Operations (net)</b>	<b>166298</b>	<b>139429</b>	<b>151063</b>	<b>305727</b>	<b>296318</b>	<b>655877</b>	
<b>2 Expenses</b>							
(a) Cost of materials consumed	98593	74445	88603	173038	165679	346623	
(b) Purchase of stock-in-trade	-	-	-	-	-	-	
(c) Changes in inventories of finished goods, work-in-progress, scrap and stock-in-trade	2950	(3998)	(4733)	(1048)	(7969)	(5309)	
(d) Erection & Subcontracting expenses	33601	37685	35607	71286	76116	166546	
(e) Employee benefits expense	9277	8770	8735	18047	16355	32151	
(f) Depreciation and amortisation expense (net)	1793	1661	1403	3454	2734	5542	
(g) Other expenses	18623	14119	15359	32742	32567	78577	
<b>Total expenses</b>	<b>164837</b>	<b>132682</b>	<b>144974</b>	<b>297519</b>	<b>285482</b>	<b>624130</b>	
<b>3 Profit from operations before other income, finance costs and exceptional items (1-2)</b>	<b>1461</b>	<b>6747</b>	<b>6089</b>	<b>8208</b>	<b>10836</b>	<b>31747</b>	
<b>4 Other income (Refer Note 3 below)</b>	<b>442</b>	<b>117</b>	<b>663</b>	<b>559</b>	<b>1856</b>	<b>8297</b>	
<b>5 Profit from ordinary activities before finance costs and exceptional items (3+4)</b>	<b>1903</b>	<b>6864</b>	<b>6752</b>	<b>8767</b>	<b>12692</b>	<b>40044</b>	
<b>6 Finance costs</b>	<b>7042</b>	<b>5426</b>	<b>5658</b>	<b>12468</b>	<b>10849</b>	<b>23142</b>	
<b>7 Profit/(Loss) from ordinary activities after finance costs but before exceptional items (5-6)</b>	<b>(5139)</b>	<b>1438</b>	<b>1094</b>	<b>(3701)</b>	<b>1843</b>	<b>16902</b>	
<b>8 Exceptional item (VRS expenditure) (Refer Note 6 below)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1816</b>	<b>1816</b>	
<b>9 Profit / (Loss) from ordinary activities before tax (7-8)</b>	<b>(5139)</b>	<b>1438</b>	<b>1094</b>	<b>(3701)</b>	<b>27</b>	<b>15086</b>	
<b>10 Tax expense (Refer Note 4 below)</b>	<b>(1856)</b>	<b>489</b>	<b>279</b>	<b>(1367)</b>	<b>157</b>	<b>6527</b>	
<b>11 Net Profit / (Loss) from ordinary activities after tax (9-10)</b>	<b>(3283)</b>	<b>949</b>	<b>815</b>	<b>(2334)</b>	<b>(130)</b>	<b>8559</b>	
<b>12 Extraordinary Item</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	
<b>13 Net Profit / (Loss) for the period (11-12)</b>	<b>(3283)</b>	<b>949</b>	<b>815</b>	<b>(2334)</b>	<b>(130)</b>	<b>8559</b>	
<b>14 Paid-up equity share capital</b>	<b>5142</b>	<b>5142</b>	<b>5142</b>	<b>5142</b>	<b>5142</b>	<b>5142</b>	
(Face Value Rs. each)	(2/-)	(2/-)	(2/-)	(2/-)	(2/-)	(2/-)	
<b>15 Reserves excluding Revaluation Reserves as per balance sheet of previous accounting year</b>						<b>98078</b>	
<b>16 Debenture Redemption Reserve</b>							
<b>17 Basic and diluted Earnings Per Share (Rs.) - Before and after extraordinary item (Not annualised)</b>	<b>(1.28)</b>	<b>0.37</b>	<b>0.32</b>	<b>(0.91)</b>	<b>(0.05)</b>	<b>3.33</b>	
<b>18 Debt Equity Ratio [(Refer Note 7(ii))]</b>				<b>0.33</b>			
<b>19 Debt Service Coverage Ratio [(Refer Note 7 (ii))]</b>				<b>0.71</b>			
<b>20 Interest Service Coverage Ratio [(Refer Note 7(ii))]</b>				<b>1.00</b>			
See accompanying notes to the Standalone financial results							
PART II Select Information for the Quarter and Six Months ended 30/09/2014							
Particulars	Quarter ended			Six Months ended		Year ended	
	30/09/2014 (Unaudited)	30/06/2014 (Unaudited)	30/09/2013 (Unaudited)	30/09/2014 (Unaudited)	30/09/2013 (Unaudited)	31/03/2014 (Audited)	
<b>A PARTICULARS OF SHAREHOLDING</b>							
<b>1 Public shareholding</b>							
- Number of shares	128,517,250	128,517,250	134,426,213	128,517,250	134,426,213	130,054,505	
- Percentage of shareholding	49.99%	49.99%	52.29%	49.99%	52.29%	50.59%	
<b>2 Promoters and Promoter Group Shareholding</b>							
<b>a) Pledged/Encumbered</b>							
- Number of shares	Nil	Nil	Nil	Nil	Nil	Nil	
- Percentage of shares (as a % of the total shareholding of Promoters and Promoter group)	Nil	Nil	Nil	Nil	Nil	Nil	
- Percentage of shares (as a % of the total share capital of the Company)	Nil	Nil	Nil	Nil	Nil	Nil	
<b>b) Non-encumbered</b>							
- Number of shares	128,571,120	128,571,120	122,662,157	128,571,120	122,662,157	127,033,865	
- Percentage of shares (as a % of the total shareholding of Promoters and Promoter group)	100.00%	100.00%	100.00%	100.00%	100.00%	100.00%	
- Percentage of shares (as a % of the total share capital of the Company)	50.01%	50.01%	47.71%	50.01%	47.71%	49.41%	
<b>Particulars</b>	<b>Quarter ended 30/09/2014</b>						
<b>B INVESTOR COMPLAINTS</b>							
Pending at the beginning of the quarter	2						
Received during the quarter	4						
Disposed of during the quarter	4						
Remaining unresolved at the end of the quarter	2						

**Notes :**

- The above results of the Company were reviewed by the Audit Committee at its meeting held on October 30, 2014 and approved by the Board of Directors at its meeting held on October 31, 2014.
- The statutory auditors of the Company have conducted a "Limited Review" of the above Standalone unaudited financial results.

**3 Other income includes:**

(Rs. in lacs)

Particulars	Quarter ended			Six Months ended		Year ended
	30/09/2014 (Unaudited)	30/06/2014 (Unaudited)	30/09/2013 (Unaudited)	30/09/2014 (Unaudited)	30/09/2013 (Unaudited)	31/03/2014 (Audited)
Dividend income from subsidiaries	332	-	512	332	1168	1168
Dividend income from a joint venture	-	-	-	-	-	5855

**4 Tax expense includes:**

(Rs. in lacs)

Particulars	Quarter ended			Six Months ended		Year ended
	30/09/2014 (Unaudited)	30/06/2014 (Unaudited)	30/09/2013 (Unaudited)	30/09/2014 (Unaudited)	30/09/2013 (Unaudited)	31/03/2014 (Audited)
Tax adjustments pertaining to earlier years	-	-	-	-	352	963

- 5 The execution of the construction works under contracts of the Company with General Electric Company, Libya (a Government of Libya undertaking) is disrupted since February 2011 due to civil/political unrest in that country. The net assets (including fixed assets, trade receivables etc.) as at September 30, 2014 of the Company relating to these contracts aggregate Rs.6025 lacs. The Company is confident of completing these projects.
- 6 The production of Cables at Thane factory has been discontinued from February 11, 2013 and the Company has given voluntary retirement scheme to all the workers at a cost of Rs. 1816 lacs. The Company signed an "Agreement for Sale" dated March 29, 2014 for sale of land to M/s Ardent Properties Pvt. Ltd. (a 100% subsidiary of Tata Housing Development Company Limited) for a consideration of approx. Rs. 21234 lacs and expects to complete all formalities shortly.
- 7 (i) During the quarter, the Company has allotted 750 secured, redeemable, non-convertible debentures of the face value of Rs. 10,00,000 each, aggregating Rs. 7500 lacs on private placement basis. These debentures have been listed and admitted to dealing on debt segment of BSE Limited w.e.f. 4<sup>th</sup> September 2014.
- 7 (ii) The formula used for calculation of ratios is as under:  
a) Debt Equity Ratio = Term loans and debentures / Shareholder's funds  
b) Debt Service Coverage Ratio = Profit before Depreciation, Interest and Tax / (Interest + Principal repayment of long term loans)  
c) Interest Service Coverage Ratio = Profit before Depreciation, Interest and Tax / Interest
- 8 Standalone Statement of Assets and Liabilities

Particulars	(Rs. in Lacs)	
	As at 30/09/2014 (Unaudited)	As at 31/03/2014 (Audited)
<b>A EQUITY AND LIABILITIES</b>		
<b>1 Shareholders' funds</b>		
(a) Share capital	5142	5142
(b) Reserves and surplus	95387	98078
(c) Money received against share warrants	-	-
Sub-total - Shareholder's funds	100529	103220
<b>2 Share application money pending allotment</b>		
<b>3 Non-current liabilities</b>		
(a) Long-term borrowings	24544	21410
(b) Deferred tax liabilities (net)	7198	7308
(c) Other long-term liabilities	1000	1000
(d) Long-term provisions	1062	990
Sub-total - Non-current liabilities	33804	30708
<b>4 Current liabilities</b>		
(a) Short-term borrowings	151373	110127
(b) Trade payables	278781	286015
(c) Other current liabilities	57919	62059
(d) Short-term provisions	8569	10969
Sub-total - Current liabilities	496642	469170
<b>TOTAL - EQUITY AND LIABILITIES</b>	<b>630975</b>	<b>603098</b>
<b>B ASSETS</b>		
<b>1 Non-current assets</b>		
(a) Fixed assets	81496	82592
(b) Non-current investments	638	638
(c) Deferred tax assets (net)	-	-
(d) Long-term loans and advances	25050	19340
(e) Other non-current assets	10652	10667
Sub-total - Non-current assets	117836	113237
<b>2 Current assets</b>		
(a) Current investments	-	-
(b) Inventories	35669	33334
(c) Trade receivables	341586	333572
(d) Cash and cash equivalents	11433	9024
(e) Short-term loans and advances	52443	44977
(f) Other current assets	72008	68954
Sub-total - Current assets	513139	489861
<b>TOTAL - ASSETS</b>	<b>630975</b>	<b>603098</b>

- 9 The Company is primarily engaged in the business of Engineering, Procurement and Construction (EPC). As such there is no separate reportable segment as defined by the Accounting Standard (AS) 17 - "Segment Reporting".
- 10 Previous periods' figures have been regrouped / reclassified wherever necessary.

For KEC INTERNATIONAL LIMITED

Place : Mumbai  
Date : October 31, 2014

R. D. CHANDAK  
MANAGING DIRECTOR

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