



# KIRLOSKAR ELECTRIC COMPANY LTD.,

Sect./69/2022-23

January 25, 2023

To,

The Secretary,

**BSE LTD.,**

Stock Exchange Towers,

Floor 25, PJ Towers, Dalal Street,

Mumbai – 400 051

*Scrip Code 533193; Scrip ID KIRELECT*

**National Stock Exchange of India Limited**

Exchange Plaza, Plot no. C/1, G-Block,

Bandra-Kurla Complex, Bandra (E),

Mumbai - 400 051

*Symbol – KECL; Series – EQ*

Dear Sir,

**Sub: Outcome of the Board Meeting;**

**Ref: Compliance with regulation 30 and 33 of SEBI (LODR) Regulations, 2015;**

Time of commencement of meeting : 11.45 A.M

Time of conclusion of meeting : 12.50 P.M

Pursuant to the regulation under reference, the Board of Directors at its meeting held today has approved the below agenda item:

1. The Ind AS compliant unaudited standalone and consolidated financial results for the quarter and nine months ended December 31, 2022 and has been signed by Mr. Vijay Ravindra Kirloskar, Executive Chairman of the Company. The signed unaudited financial results (Standalone & Consolidated) for the quarter & nine months ended December 31, 2022 along with limited review reports are also enclosed.
2. Subject to the approval of the members of the Company, Mr. Sanjeev Kumar Shivappa (DIN: 08673340) has been re-appointed as Whole-time Director of the Company for a term of two (02) years with effect from 14 February, 2023, based on the recommendation of the Nomination and Remuneration Committee.

**Regd. Office:** No. 19, 2nd Main Road, Peenya 1st Stage, Phase -1, Peenya, Bengaluru, Karnataka, 560058

T+91 80 2839 7256, F +91 80 2839 6727; Email Id: investors@kirloskarelectric.com

Customer care No. : 1800 102 8268, website: www.kirloskarelectric.com

CIN: L31100KA1946PLC000415



# KIRLOSKAR ELECTRIC COMPANY LTD.,

Mr. Sanjeev Kumar Shivappa (DIN: 08673340) will be designated as Director (Finance) and Chief Financial Officer & shall be a Key Managerial Personnel ('KMP') in terms of section 203 of the Companies Act, 2013.

Mr. Sanjeev Kumar Shivappa (DIN: 08673340) is not related to any of the Directors of the Company.

## **Brief profile of Mr. Sanjeev Kumar Shivappa:**

Mr. Sanjeev Kumar Shivappa is a graduate in Commerce and Masters in Business Administration (MBA) in finance from Bangalore University. He has about 38 years of post qualification experience and has worked extensively in the areas of finance. He has rich experience of more than 28 years in the finance department of the Company. He was promoted to 'Director Finance' & Chief Financial Officer of the Company with effect from February 14, 2020. Prior to his joining in the Company, he had worked with Companies like Karnataka Oil Seeds Growers Federation Limited, Bangalore, ROGCSU Limited etc.,

This is for your information and dissemination.

Thanking you

Yours faithfully

For **Kirloskar Electric Company Limited**

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SHWAR  
BHAT

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MAHABALESHWAR  
BHAT  
Date: 2023.01.25  
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Mahabaleshwar Bhat

**Company Secretary & Compliance Officer**

Encl: a/a

**KIRLOSKAR ELECTRIC COMPANY LIMITED.,**

CIN: L31100KA1946PLC000415

REGD OFFICE: NO.19, 2ND MAIN ROAD, PEENYA 1ST STAGE, PHASE-1, PEENYA, BENGALURU-560058

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022



(₹ in Lakhs)

SI No	Particulars	Standalone						Consolidated					
		Quarter ended			Nine Months Ended		Year ended	Quarter ended			Nine Months Ended		Year ended
		December 31, 2022'	September 30, 2022	December 31, 2021'	December 31, 2022'	December 31, 2021'	March 31, 2022	December 31, 2022'	September 30, 2022	December 31, 2021'	December 31, 2022'	December 31, 2021'	March 31, 2022'
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	<b>INCOME FROM OPERATIONS:</b>												
I	Revenue from operations	11,575	11,049	8,210	32,850	22,957	33,467	11,575	11,049	8,210	32,850	22,957	33,467
II	Other income	290	965	50	1,492	277	10,772	291	1,582	50	2,110	277	11,902
III	<b>Total income ( I+II)</b>	<b>11,865</b>	<b>12,014</b>	<b>8,260</b>	<b>34,342</b>	<b>23,234</b>	<b>44,239</b>	<b>11,866</b>	<b>12,631</b>	<b>8,260</b>	<b>34,960</b>	<b>23,234</b>	<b>45,369</b>
IV	<b>Expenses:</b>												
a	Cost of materials consumed	7,760	7,540	6,500	22,568	17,620	25,588	7,760	7,540	6,500	22,568	17,620	25,588
b	Change in inventories of finished goods, work in progress and stock in trade	(74)	(502)	(617)	(214)	(585)	(858)	(74)	(502)	(617)	(214)	(585)	(858)
c	Employee benefit expenses	1,697	1,650	1,544	4,907	4,548	5,977	1,697	1,650	1,545	4,907	4,548	5,977
d	Finance costs	566	491	747	1,588	2,041	2,880	595	500	795	1,674	2,186	3,073
e	Depreciation and amortisation expenses	123	125	132	371	390	520	123	125	132	371	390	520
f	Other expenses	1,457	1,157	986	3,649	2,904	4,316	1,427	1,166	992	3,635	2,915	4,330
	<b>Total expenses</b>	<b>11,529</b>	<b>10,461</b>	<b>9,292</b>	<b>32,869</b>	<b>26,918</b>	<b>38,423</b>	<b>11,528</b>	<b>10,479</b>	<b>9,347</b>	<b>32,941</b>	<b>27,074</b>	<b>38,630</b>
V	<b>Profit / (loss) before tax (III-IV)</b>	<b>336</b>	<b>1,553</b>	<b>(1,032)</b>	<b>1,473</b>	<b>(3,684)</b>	<b>5,816</b>	<b>338</b>	<b>2,152</b>	<b>(1,087)</b>	<b>2,019</b>	<b>(3,840)</b>	<b>6,739</b>
VI	<b>Tax expense:</b>												
a	Current Tax	-	-	-	-	-	-	-	-	-	-	-	-
b	Deferred tax	-	-	-	-	-	-	-	-	-	-	-	-
VII	<b>Profit / (loss) after tax (V-VI)</b>	<b>336</b>	<b>1,553</b>	<b>(1,032)</b>	<b>1,473</b>	<b>(3,684)</b>	<b>5,816</b>	<b>338</b>	<b>2,152</b>	<b>(1,087)</b>	<b>2,019</b>	<b>(3,840)</b>	<b>6,739</b>
VIII	<b>Other comprehensive income</b>												
	<b>(I) Items that will not be reclassified to profit or loss</b>												
a	Remeasurements of the defined benefit plans	-	-	-	-	-	15	-	-	-	-	-	15
b	Taxes on above	-	-	-	-	-	(4)	-	-	-	-	-	(4)
	<b>(ii) Items that may be reclassified to profit or loss</b>												
a	Mark to Market of Investments	2	9	2	10	9	8	2	9	2	10	9	8
b	Revaluation gain on land	(98)	-	-	(98)	-	(3,277)	(98)	-	-	(98)	-	(3,277)
c	Taxes on above	22	(2)	(1)	20	(3)	767	22	(2)	(1)	20	(3)	767
	<b>Total other comprehensive income</b>	<b>(74)</b>	<b>7</b>	<b>1</b>	<b>(68)</b>	<b>6</b>	<b>(2,491)</b>	<b>(74)</b>	<b>7</b>	<b>1</b>	<b>(68)</b>	<b>6</b>	<b>(2,491)</b>
IX	<b>Total comprehensive income for the period (VII+VIII)</b>	<b>262</b>	<b>1,560</b>	<b>(1,031)</b>	<b>1,405</b>	<b>(3,678)</b>	<b>3,325</b>	<b>264</b>	<b>2,159</b>	<b>(1,086)</b>	<b>1,951</b>	<b>(3,834)</b>	<b>4,248</b>
	<b>Paid-up equity share capital (face value of Rs. 10/- each)</b>	<b>6,641</b>	<b>6,641</b>	<b>6,641</b>	<b>6,641</b>	<b>6,641</b>	<b>6,641</b>	<b>6,641</b>	<b>6,641</b>	<b>6,641</b>	<b>6,641</b>	<b>6,641</b>	<b>6,641</b>
	<b>Earnings per share(EPS) (face value of Rs. 10/- each)</b>												
a	Basic EPS (not annualised)	0.51	2.34	(1.55)	2.22	(5.55)	8.76	0.51	3.24	(1.64)	3.04	(5.78)	10.15
b	Diluted EPS (not annualised)	0.51	2.34	(1.55)	2.22	(5.55)	8.76	0.51	3.24	(1.64)	3.04	(5.78)	10.15

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*M. M. Prabhakar*  
KIRLOSKAR ELECTRIC CO. LTD. BANGALORE

REVENUES, RESULTS, ASSETS, LIABILITIES AND CAPITAL EMPLOYED FOR THE SEGMENTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2022

(₹ in Lakhs)

SI No	Particulars	Standalone						Consolidated					
		Quarter ended			Nine Months Ended		Year Ended	Quarter ended			Nine Months Ended		Year Ended
		December 31, 2022'	September 30, 2022	December 31, 2021'	December 31, 2022'	December 31, 2021'	March 31, 2022	December 31, 2022'	September 30, 2022	December 31, 2021'	December 31, 2022'	December 31, 2021'	March 31, 2022'
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	<b>Segment Revenues</b>												
	Power generation/ distribution	4,777	4,007	2,941	13,138	8,973	12,980	4,777	4,007	2,941	13,138	8,973	12,980
	Rotating machines	6,343	6,007	4,616	17,671	12,465	18,594	6,343	6,007	4,616	17,671	12,465	18,594
	Others	560	1,144	701	2,312	1,683	2,126	560	1,144	701	2,312	1,683	2,126
	<b>Total</b>	<b>11,680</b>	<b>11,158</b>	<b>8,258</b>	<b>33,121</b>	<b>23,121</b>	<b>33,700</b>	<b>11,680</b>	<b>11,158</b>	<b>8,258</b>	<b>33,121</b>	<b>23,121</b>	<b>33,700</b>
	Less: Inter segment revenues	105	109	48	271	164	233	105	109	48	271	164	233
	<b>Revenue from operations</b>	<b>11,575</b>	<b>11,049</b>	<b>8,210</b>	<b>32,850</b>	<b>22,957</b>	<b>33,467</b>	<b>11,575</b>	<b>11,049</b>	<b>8,210</b>	<b>32,850</b>	<b>22,957</b>	<b>33,467</b>
2	<b>Segment Results</b>												
	Profit / (loss) before interest and tax expense												
	Power generation/ distribution	501	663	(104)	1,102	(416)	(498)	501	663	(104)	1,102	(416)	(498)
	Rotating machines	657	1,451	169	2,652	(130)	424	657	1,451	169	2,652	(130)	424
	Others	219	558	306	906	796	853	219	558	306	906	796	853
	<b>Total</b>	<b>1,377</b>	<b>2,672</b>	<b>371</b>	<b>4,660</b>	<b>250</b>	<b>779</b>	<b>1,377</b>	<b>2,672</b>	<b>371</b>	<b>4,660</b>	<b>250</b>	<b>779</b>
	Less: Interest	566	491	747	1,588	2,041	2,880	595	500	795	1,674	2,186	3,073
	Less: Other unallocable expenditure (net off unallocable Income)	475	628	656	1,599	1,893	(7,917)	444	20	663	967	1,904	(9,033)
	<b>Total profit / (loss) before tax expense</b>	<b>336</b>	<b>1,553</b>	<b>(1,032)</b>	<b>1,473</b>	<b>(3,684)</b>	<b>5,816</b>	<b>338</b>	<b>2,152</b>	<b>(1,087)</b>	<b>2,019</b>	<b>(3,840)</b>	<b>6,739</b>
3	<b>Segment Assets</b>												
	Power generation/ distribution	7,540	7,226	6,753	7,540	6,753	7,535	7,540	7,226	6,753	7,540	6,753	7,535
	Rotating machines	37,915	37,051	39,899	37,915	39,899	36,078	37,915	37,051	39,899	37,915	39,899	36,078
	Others	8,513	8,913	8,862	8,513	8,862	8,553	8,513	8,913	8,862	8,513	8,862	8,553
	<b>Total</b>	<b>53,968</b>	<b>53,190</b>	<b>55,514</b>	<b>53,968</b>	<b>55,514</b>	<b>52,166</b>	<b>53,968</b>	<b>53,190</b>	<b>55,514</b>	<b>53,968</b>	<b>55,514</b>	<b>52,166</b>
	Add Unallocable Assets	7,372	7,771	7,303	7,372	7,303	10,544	6,570	6,928	6,093	6,570	6,093	9,332
	<b>Total Segment Assets</b>	<b>61,340</b>	<b>60,961</b>	<b>62,817</b>	<b>61,340</b>	<b>62,817</b>	<b>62,710</b>	<b>60,538</b>	<b>60,118</b>	<b>61,607</b>	<b>60,538</b>	<b>61,607</b>	<b>61,498</b>
4	<b>Segment Liabilities</b>												
	Power generation/ distribution	8,487	7,743	10,946	8,487	10,946	11,233	8,487	7,743	10,946	8,487	10,946	11,233
	Rotating machines	11,135	11,281	15,753	11,135	15,753	15,541	11,135	11,281	15,753	11,135	15,753	15,541
	Others	1,383	1,600	930	1,383	930	788	1,383	1,600	930	1,383	930	788
	<b>Total</b>	<b>21,005</b>	<b>20,624</b>	<b>27,629</b>	<b>21,005</b>	<b>27,629</b>	<b>27,562</b>	<b>21,005</b>	<b>20,624</b>	<b>27,629</b>	<b>21,005</b>	<b>27,629</b>	<b>27,562</b>
	Add Unallocable Liabilities	28,617	28,881	31,876	28,617	31,876	24,834	29,982	30,205	34,458	29,982	34,458	26,334
	<b>Total Segment Liabilities</b>	<b>49,622</b>	<b>49,505</b>	<b>59,505</b>	<b>49,622</b>	<b>59,505</b>	<b>52,396</b>	<b>50,987</b>	<b>50,829</b>	<b>62,087</b>	<b>50,987</b>	<b>62,087</b>	<b>53,896</b>
5	<b>Capital Employed (Segment Assets-Segment Liabilities)</b>												
	Power generation/ distribution	(948)	(517)	(4,193)	(948)	(4,193)	(3,698)	(948)	(517)	(4,193)	(948)	(4,193)	(3,698)
	Rotating machines	26,780	25,770	24,146	26,780	24,146	20,537	26,780	25,770	24,146	26,780	24,146	20,537
	Others	7,130	7,313	7,932	7,130	7,932	7,765	7,130	7,313	7,932	7,130	7,932	7,765
	<b>Total capital employed in segments</b>	<b>32,962</b>	<b>32,566</b>	<b>27,885</b>	<b>32,962</b>	<b>27,885</b>	<b>24,604</b>	<b>32,962</b>	<b>32,566</b>	<b>27,885</b>	<b>32,962</b>	<b>27,885</b>	<b>24,604</b>
	Add: Unallocated	(21,244)	(21,110)	(24,573)	(21,244)	(24,573)	(14,290)	(23,411)	(23,277)	(28,365)	(23,411)	(28,365)	(17,002)
	<b>Total capital employed</b>	<b>11,718</b>	<b>11,456</b>	<b>3,312</b>	<b>11,718</b>	<b>3,312</b>	<b>10,314</b>	<b>9,551</b>	<b>9,289</b>	<b>(480)</b>	<b>9,551</b>	<b>(480)</b>	<b>7,602</b>

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**Notes:**

1. The above unaudited standalone and consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors at its meeting held on January 25, 2023.
2. The standalone and consolidated financial results of the Company for the quarter and nine months ended December 31, 2022 have been subject to limited review by its Statutory auditors.
3. The Company has prepared these Standalone and Consolidated financial results in accordance with Companies (Indian Accounting Standard) Rules, 2015 as amended as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the relevant rules issued thereunder as amended and the other accounting principles generally accepted in India.
4. As a measure of restructuring and with the consent of Lead Bank and other Lender 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 December 31, 2022 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 ₹ 11,404.36 lakhs (₹ 11,762.42 lakhs as at March 31, 2022) after considering Ind AS adjustments. As on date, the majority of the immovable properties in these subsidiaries have been disposed off and the debts including the interest thereon have been paid. All the Banks (Financial liabilities) in these subsidiaries have been paid off. The Company is in the process of taking necessary steps for disposing the remaining immovable properties and inventories and realization of receivables in these subsidiaries. The Board of Directors is confident of disposing the remaining assets in these subsidiaries and repaying the pending dues to the Company. However, based on expected credit losses as prescribed under Ind-AS as against the incurred loss model envisaged under earlier GAAP, a sum of ₹ 8,400.77 lakhs has been provided upto December 31, 2022 (₹ 8,400.77 lakhs provided upto March 31, 2022).
5. In case of Consolidated unaudited financial results - Confirmation of balances from customers are awaited in certain cases. Accounts with certain parties are under review and reconciliation. Provision has been made to the extent required and further adjustments if any, will be made on completion of review/reconciliation. The debts exceeding two years and considered good of recovery by the management is estimated at ₹ 2,429 lakhs.
6. The net worth (after excluding revaluation reserve) of the group in terms of the consolidated financial statement as at December 31, 2022 consisting of the Company, its subsidiaries and its associate is eroded. The company has repaid all term loans including Asset Restructuring Company Limited (ARCIL) which were restructured under JLF mechanism. Also the company is in advance stage of negotiation for monetization/disposal of assets which will improve the working capital and in turn improve the performance in the forthcoming periods. The company is confident that this funding will have a positive impact on the performance and net worth. 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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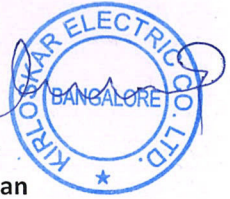


A handwritten signature in blue ink, appearing to be "M. S. Srinivasan", written over a circular blue ink stamp of KIRLOSKAR ELECTRIC CO. LTD., BANGALORE. The stamp text "KIRLOSKAR ELECTRIC CO. LTD." is at the top, "BANGALORE" is in the center, and there is a small star at the bottom.

7. The Company has filed before the honorable Supreme Court, special leave petition (SLP) in respect of resale tax penalty demand of ₹ 527 lakhs 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. The Company believes based on legal advice / internal assessment that the outcome of the contingency will be favorable, that loss is not probable and no provision is required to be recognized in this respect.
8. Other income for the year ended March 31, 2022 includes ₹ 9,819.65 lakhs profit on sale of 29.5 acres of land of the Company situated at Hubballi and ₹ 297.86 lakhs profit on sale of non core asset situated at Hyderabad. Consequently, major part of the sale proceeds have been utilised towards the repayment of the financial dues to the financial institutions and balance towards working capital.
9. Other Income for the quarter and nine months ended December 31, 2022 in standalone financial results includes ₹199.08 lakhs profit on sale of properties of the Company situated at Gudimangalam.
10. Other Income for quarter ended September 30, 2022 and nine months ended December 31, 2022 in Consolidated Financial results includes ₹ 467.16 lakhs profit on sale of properties of the Company situated at Nehru place, Delhi.
11. The outstanding loan of Union Bank of India has been paid and settled as per the mutual consent. The necessary effect has been given in the books on September 30, 2022 and the final payment was made and settled on October 01, 2022.
12. On October 03, 2022, the Company has entered into an Agreement to Sell, its immovable property, situated at Gokul Road, Hubballi admeasuring 31 Acres 24 Guntas for a consideration of ₹ 9,512 lakhs, on such terms and conditions as set out in the Agreement to sell. The sale is expected to be completed on or before March 31, 2023 or any other extended date, as agreed between the parties.
13. Details of Secured Redeemable Non-Convertible Debentures – NIL
14. Previous period figures have been regrouped wherever necessary to confirm with the current period presentation.

Place: Bengaluru  
Date: January 25, 2023

  
Vijay R Kirloskar  
Executive Chairman







# K.N. PRABHASHANKAR & CO.

CHARTERED ACCOUNTANTS

S-2, Narayana, 25, Mission Road, Shama Rao Compound

Bangalore - 560 027. India

Telefax: +91-80-22237045, +91-80-22241284

e-mail: knp@akpco.com

## Independent Auditor's Review Report on Quarterly Unaudited Standalone Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

1. We have reviewed the accompanying Statement of Unaudited Standalone financial results of Kirloskar Electric Company Limited ('the Company') for the quarter and nine months ended December 31, 2022 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulation") read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("the Circular").
2. This Statement, which is the responsibility of the company's management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (Ind AS 34) - Interim Financial Reporting, prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder as applicable and other accounting principles generally accepted in India, read with the Circular. Our responsibility is to express an opinion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. **Basis of Qualified Opinion:**  
Attention of the Directors is invited to note 4 to the unaudited financial results regarding the amounts due to the Company from certain subsidiaries towards part consideration receivable on sale/assignment of certain immovable properties, receivables, interest charged and expenses reimbursed. The amounts due from the said subsidiaries aggregates to ₹11,404.36 lakhs (₹11,762.42 lakhs as at March 31, 2022). Pending disposals/realization of assets by the subsidiaries, relying on the Management Representation, provision of ₹ 8,400.77 lakhs as at December 31, 2022 is recognized. Any shortfall in the realization of the amount outstanding (net of provision), if any, could not be ascertained.
5. Based on our review conducted and procedures performed as per paragraph 3 above except for the effects in respect of the matter stated in the paragraph on "Basis of Qualified Opinion" and read with note 4 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 recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.



## 6. Key Audit Matters:

- a) Note 6 of the unaudited financial results - The directors have 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) has accumulated losses and their net worth (after excluding Revaluation Reserve) is eroded. There are certain overdue payments to creditors. During the previous year ended March 31, 2022, the Company has repaid all the term loans including the loan assigned to Asset Reconstruction Company India Limited (ARCIL) which was restructured under JLF mechanism.

We have relied on the representations made by the Company and the appraisal of the restructuring plan including monetization of few non-core assets, projection of increase in turnover and infusion of funds in the near future. The appropriateness of the said basis of Going Concern is subject to the Company adhering to the restructuring plan and infusion of requisite funds. Hence, we are of the opinion that there is no existence of material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

## 7. Emphasis of Matter:

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

- b) Note 7 of the unaudited financial results, which states that the Company has filed Special Leave Petition in respect of demands of resale tax penalty of ₹527 lakhs before the honorable Supreme Court of India. The 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 this representation. Our opinion is not modified in respect of this matter.

Place: Bengaluru  
Date: January 25, 2023



for K N Prabhaskar & Co.  
Chartered Accountants  
Firm Regn. No. 004982S

A. Umesh Patwardhan  
Partner

M. No. 222945

UDIN: 23222945B6VMK08333



# K.N. PRABHASHANKAR & CO.

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## Independent Auditor's Review Report on Quarterly Unaudited Consolidated Financial Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

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

1. We have reviewed the accompanying Statement of Unaudited Consolidated financial results of Kirloskar Electric Company Limited ("the Parent") and its subsidiaries and associates (the Parent and its subsidiaries and associates collectively referred as "Group"), and its share of net profit/(loss) after tax and total comprehensive income for the quarter and nine months ended December 31, 2022, attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulation") read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("the Circular").
2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (Ind AS 34) - Interim Financial Reporting, prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder as applicable and other accounting principles generally accepted in India, read with the Circular. Our responsibility is to express an opinion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

#### 4. Basis of Qualified Opinion:

Attention of the Directors is invited to note 5 to the unaudited financial results regarding trade receivables/book debts exceeding two years and considered good by the management estimated at ₹2,429 lakhs. The relevant accounts subject to adjustments, if required after management completes review, reconciliation and identification of doubtful debts. We are unable to express an independent opinion on the extent of shortfall in the recovery of the same.



5. The Statement includes the Unaudited financial results of the following entities:

- a. Kirsons B V
- b. Kelbuzz Trading Private Limited
- c. Luxquisite Parkland Private Limited
- d. SKG Terra Promonede Private Limited
- e. SLPKG Estate Holding Private Limited

6. Based on our review conducted and procedures performed as stated in paragraph 3 above except for the effects in respect of the matter 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 consolidated financial results prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**7. Key Audit Matters:**

- a) Note 6 of the unaudited financial results - The directors have 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) has accumulated losses and their net worth (after excluding Revaluation Reserve) is eroded. There are certain overdue payments to creditors. During the previous year ended March 31, 2022, the Company has repaid all the term loans including the loan assigned to Asset Reconstruction Company India Limited (ARCIL) which was restructured under JLF mechanism.

We have relied on the representations made by the Company and the appraisal of the restructuring plan including monetization of few non-core assets, projection of increase in turnover and infusion of funds in the near future. The appropriateness of the said basis of Going Concern is subject to the Company adhering to the restructuring plan and infusion of requisite funds. Hence, we are of the opinion that there is no existence of material uncertainty that may cast a significant doubt on the Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

**8. Emphasis of Matter:**

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

- a) Note 7 of the unaudited financial results, which states that the Company has filed Special Leave Petition in respect of demands of resale tax penalty of ₹527 lakhs before the honorable Supreme Court of India. The 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 this representation. Our opinion is not modified in respect of this matter.



9. One of these subsidiaries is located outside India whose financial results and other financial information have been prepared in accordance with accounting principles generally accepted in its respective country by the Subsidiary management and the Parent's management has converted the financial results from accounting principles generally accepted in its respective country to accounting principles generally accepted in India. We have reviewed these conversion adjustments made by the Parent's management. Our conclusion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the information and conversion adjustments prepared by the management of the Parent and reviewed by us.
10. The accompanying unaudited consolidated financial results includes the unaudited interim financial results of 4 subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenues/other Income of ₹158.24 lakhs, total net profit after tax and total comprehensive income of ₹78.49 lakhs for the nine months ended December 31, 2022, as considered in the consolidated unaudited financial results. These interim unaudited financial results have been approved and furnished to us by the management. Our conclusion on the Statement, in so far as it relates to the amounts and disclosures in respect of these subsidiaries is based solely on such unaudited financial results and other unaudited financial information of these subsidiaries provided by the management. Our conclusion on the Statement is not modified in respect of the above matter.

for K N Prabhashankar & Co.  
Chartered Accountants  
Firm Regn. No. 004982S

*Ah*

A. Umesh Patwardhan  
Partner

M. No. 222945

UDIN: 23222945B6VMKP8854

Place: Bengaluru  
Date: January 25, 2023

