



KIRLOSKAR ELECTRIC COMPANY LTD.,

Sect./57/2021-22
February 09, 2022

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: Intimation of Financial Results;
Ref: Compliance with regulation 33 read with schedule III of SEBI (LODR) Regulations, 2015;

Time of commencement of meeting : 10:30 A.M
Time of conclusion of meeting : 11.30 A.M

Pursuant to the regulation under subject, please find enclosed, Ind AS compliant unaudited standalone and consolidated financial results of the Company for the quarter and and nine months ended December 31, 2021 as approved by the Board of directors at its meeting held today and signed by Mr. Vijay Ravindra Kirloskar, Executive Chairman of the Company. The limited review reports are also enclosed.

This is for your information and dissemination.

Thanking you

Yours faithfully

For **KIRLOSKAR ELECTRIC COMPANY LIMITED**

Vijay
Ravindra
Kirloskar
Digitally signed
by Vijay Ravindra
Kirloskar
Date: 2022.02.09
11:44:58 +05'30'

Vijay R. Kirloskar
Executive Chairman

Encl: a/a

Regd. Office: No. 19, 2nd Main Road, Peenya 1st Stage, Phase -1, Peenya, Bengaluru, Karnataka, 560058
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Customer care No. : 1800 102 8268, website: www.kirloskarelectric.com
CIN: L31100KA1946PLC000415

KIRLOSKAR ELECTRIC COMPANY LIMITED

CIN:L31100KA1946PLC000415

REGD OFFICE: NO.19 2ND MAIN ROAD, PEENYA 1ST STAGE, PHASE-1, PEENYA, BENGALURU-560 058.

STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2021



(₹ in Lakhs)

Sl No	Particulars	Standalone						Consolidated					
		Quarter ended			Nine Months Ended		Year ended	Quarter ended			Nine Months Ended		Year ended
		December 31, 2021'	September 30, 2021'	December 31, 2020'	December 31, 2021'	December 31, 2020'	March 31, 2021	December 31, 2021'	September 30, 2021'	December 31, 2020'	December 31, 2021'	December 31, 2020'	March 31, 2021'
	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
	INCOME FROM OPERATIONS:												
I	Revenue from Operations	8,210	8,588	7,713	22,957	18,882	27,758	8,210	8,588	7,713	22,957	18,882	27,758
II	Other income	50	183	149	277	270	361	50	183	152	277	287	770
III	Total Revenue (I+II)	8,260	8,771	7,862	23,234	19,152	28,119	8,260	8,771	7,865	23,234	19,169	28,528
IV	Expenses:												
a	Cost of materials consumed	6,500	6,090	5,277	17,620	12,700	19,219	6,500	6,090	5,277	17,620	12,700	19,219
b	Change in inventories of finished goods, work in progress and stock in trade	(617)	334	346	(585)	696	904	(617)	334	346	(585)	696	904
c	Employee benefit expense	1,544	1,561	1,412	4,548	4,311	5,685	1,545	1,560	1,412	4,548	4,311	5,685
d	Finance costs	747	664	725	2,041	2,168	2,809	795	713	754	2,186	2,322	3,005
e	Depreciation and amortisation expenses	132	130	130	390	393	523	132	130	156	390	471	836
f	Other expenses	986	1,058	1,048	2,904	2,782	9,766	992	1,068	1,047	2,915	2,774	3,690
	Total expenses	9,292	9,837	8,938	26,918	23,050	38,906	9,347	9,895	8,992	27,074	23,274	33,339
V	Profit / (loss) before exceptional and tax (III-IV)	(1,032)	(1,066)	(1,076)	(3,684)	(3,898)	(10,787)	(1,087)	(1,124)	(1,127)	(3,840)	(4,105)	(4,811)
VI	Exceptional items (net of tax expense)	-	-	-	-	-	-	-	-	-	-	-	-
VII	Profit / (loss) before tax (V-VI)	(1,032)	(1,066)	(1,076)	(3,684)	(3,898)	(10,787)	(1,087)	(1,124)	(1,127)	(3,840)	(4,105)	(4,811)
VIII	Tax expense:												
a	Current Tax	-	-	-	-	-	-	-	-	-	-	-	-
b	Deferred tax	-	-	-	-	-	-	-	-	-	-	-	-
IX	Profit / (loss) after tax (VII-VIII)	(1,032)	(1,066)	(1,076)	(3,684)	(3,898)	(10,787)	(1,087)	(1,124)	(1,127)	(3,840)	(4,105)	(4,811)
X	Other comprehensive income												
	(I) Items that will not be reclassified to profit or loss												
a	Remeasurements of the defined benefit plans	-	-	-	-	-	90	-	-	-	-	-	90
b	Taxes on above	-	-	-	-	-	(25)	-	-	-	-	-	(25)
	(ii) Items that may be reclassified to profit or loss												
a	Mark to Market of Investments	2	4	11	9	13	24	2	4	11	9	13	24
b	Revaluation gain on land	-	-	-	-	-	16,522	-	-	-	-	-	16,522
b	Taxes on above	(1)	(1)	(2)	(3)	(3)	(3,710)	(1)	(1)	(2)	(3)	(3)	(3,710)
	Total other comprehensive income	1	3	9	6	10	12,901	1	3	9	6	10	12,901
XI	Total comprehensive income for the period (IX+X)	(1,031)	(1,063)	(1,067)	(3,678)	(3,888)	2,114	(1,086)	(1,121)	(1,118)	(3,834)	(4,095)	8,090
	Paid-up equity share capital (face value of Rs. 10/- each)	6,641	6,641	6,641	6,641	6,641	6,641	6,641	6,641	6,641	6,641	6,641	6,641
	Other Equity						348						
	Earnings per share(EPS) (face value of Rs. 10/- each)												
a	Basic EPS (not annualised)	(1.55)	(1.61)	(1.62)	(5.55)	(5.87)	(16.24)	(1.64)	(1.69)	(1.70)	(5.78)	(6.18)	(7.24)
b	Diluted EPS (not annualised)	(1.55)	(1.61)	(1.62)	(5.55)	(5.87)	(16.24)	(1.64)	(1.69)	(1.70)	(5.78)	(6.18)	(7.24)

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Sl No	Particulars	Standalone						Consolidated					
		Quarter ended			Nine Months Ended		Year ended	Quarter ended			Nine Months Ended		Year ended
		December 31, 2021'	September 30, 2021'	December 31, 2020'	December 31, 2021'	December 31, 2020'	March 31, 2021	December 31, 2021'	September 30, 2021'	December 31, 2020'	December 31, 2021'	December 31, 2020'	March 31, 2021'
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenues												
	Power generation/ distribution	2,941	3,844	3,274	8,973	7,870	11,500	2,941	3,844	3,274	8,973	7,870	11,500
	Rotating machines	4,616	4,127	4,143	12,465	10,323	15,390	4,616	4,127	4,143	12,465	10,323	15,390
	Others	701	710	381	1,683	873	1,093	701	710	381	1,683	873	1,093
	Total	8,258	8,681	7,798	23,121	19,066	27,983	8,258	8,681	7,798	23,121	19,066	27,983
	Less: Inter segment revenues	48	93	85	164	184	225	48	93	85	164	184	225
	Revenue from operations	8,210	8,588	7,713	22,957	18,882	27,758	8,210	8,588	7,713	22,957	18,882	27,758
2	Segment Results												
	Profit / (loss) before interest and tax expense												
	Power generation/ distribution	(104)	69	188	(416)	(1)	66	(104)	69	188	(416)	(1)	66
	Rotating machines	169	(127)	(63)	(130)	(297)	(59)	169	(127)	(63)	(130)	(297)	(59)
	Others	306	318	171	796	332	407	306	318	171	796	332	407
	Total	371	260	296	250	34	414	371	260	296	250	34	414
	Less: Interest	747	664	725	2,041	2,168	2,809	795	713	754	2,186	2,322	3,005
	Less: Other unallocable expenditure (net off unallocable Income)	656	662	647	1,893	1,764	8,392	663	671	669	1,904	1,817	2,220
	Total profit / (loss) before tax expense	(1,032)	(1,066)	(1,076)	(3,684)	(3,898)	(10,787)	(1,087)	(1,124)	(1,127)	(3,840)	(4,105)	(4,811)
3	Segment Assets												
	Power generation/ distribution	6,753	6,568	8,146	6,753	8,146	7,594	6,753	6,568	8,146	6,753	8,146	7,594
	Rotating machines	39,899	39,391	23,905	39,899	23,905	39,708	39,899	39,391	23,905	39,899	23,905	39,708
	Others	8,862	8,714	7,584	8,862	7,584	8,655	8,862	8,714	7,584	8,862	7,584	8,655
	Total	55,514	54,673	39,635	55,514	39,635	55,957	55,514	54,673	39,635	55,514	39,635	55,957
	Add Unallocable Assets	7,303	8,138	13,880	7,303	13,880	7,908	6,935	6,588	6,093	6,588	6,093	6,702
	Total Segment Assets	62,817	62,811	53,515	62,817	53,515	63,865	61,607	61,608	46,223	61,607	46,223	62,659
4	Segment Liabilities												
	Power generation/ distribution	10,946	9,587	9,467	10,946	9,467	9,054	10,946	9,587	9,467	10,946	9,467	9,054
	Rotating machines	15,753	16,050	14,219	15,753	14,219	15,018	15,753	16,050	14,219	15,753	14,219	15,018
	Others	930	1,111	648	930	648	667	930	1,111	648	930	648	667
	Total	27,629	26,748	24,334	27,629	24,334	24,739	27,629	26,748	24,334	27,629	24,334	24,739
	Add Unallocable Liabilities	31,876	31,721	28,195	31,876	28,195	32,137	34,458	34,254	30,722	34,458	30,722	34,566
	Total Segment Liabilities	59,505	58,469	52,529	59,505	52,529	56,876	62,087	61,002	55,056	62,087	55,056	59,305
5	Capital Employed (Segment Assets-Segment Liabilities)												
	Power generation/ distribution	(4,193)	(3,018)	(1,321)	(4,193)	(1,321)	(1,460)	(4,193)	(3,018)	(1,321)	(4,193)	(1,321)	(1,460)
	Rotating machines	24,146	23,342	9,686	24,146	9,686	24,690	24,146	23,342	9,686	24,146	9,686	24,690
	Others	7,932	7,603	6,936	7,932	6,936	7,988	7,932	7,603	6,936	7,932	6,936	7,988
	Total capital employed in segments	27,885	27,927	15,301	27,885	15,301	31,218	27,885	27,927	15,301	27,885	15,301	31,218
	Add: Unallocated	(24,573)	(23,585)	(14,315)	(24,573)	(14,315)	(24,229)	(28,365)	(27,321)	(24,134)	(28,365)	(24,134)	(27,864)
	Total capital employed	3,312	4,342	986	3,312	986	6,989	(480)	606	(8,833)	(480)	(8,833)	3,354

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[Handwritten Signature]
 K.R. PRABHAKAR & CO.
 BANGALORE
 CHARTERED ACCOUNTANTS

Notes:

- 1 The above unaudited standalone and consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on February 09, 2022.
- 2 The standalone and consolidated financial results of the Company for the quarter ended and nine months ended December 31, 2021 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 The format for Standalone and Consolidated 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 read with SEBI Circular No.CIR/CFD/CMD/44/2019 dated March 29, 2019, Ind AS and Schedule III of the Companies Act, 2013 as amended applicable to the Companies that are required to comply with Ind AS.
- 5 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, 2021 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 ₹11,784.89 lakhs (₹11,777.86 lakhs as at March 31, 2021) 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. Further as on the date of results, the Company was in advance stage of discussion for monetization of these properties of its Subsidiaries. The Board of Directors are confident of disposing these assets and repaying the pending 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 ₹8,400.77 lakhs has been provided upto December 31, 2021 (₹8,400.77 lakhs provided upto March 31, 2021).
- 6(a) 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 ₹ 2,456 lakhs.
- 6(b) The net worth (after excluding revaluation reserve) of the group in terms of the consolidated financial statements as at December 31, 2021 consisting of the Company, its subsidiaries and its associate is eroded. There were certain overdues in respect of Repayments to Banks and Payment to 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 has entered into Agreement to sell 32 acres of land at Hubli for a consideration of Rs. 100 Crores and accordingly the prospective buyers have deposited Rs. 30 Crores in an Escrow Account. Further, the company has also entered into agreement to sell its non-core asset situated at Punjgutta, Hyderabad for a total consideration of Rs 3 Crores. Both the Sale transactions is expected to be completed and funds to be received before the end of the current financial year. Also, the Company is in advanced stage of negotiation for funding arrangements with various parties which will improve the performance in the 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.
- 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 The company has assessed the impact that may result from this pandemic on its liquidity position, carrying amounts of receivables, inventories, tangible and intangible assets, investments and other assets/ liabilities. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of the pandemic, the company considered internal and external information available till the date of approval of these financial results and has assessed this situation. For the quarter ended June 30, 2021, the Company's operations were partially affected on account of non availability of electrical steel and industrial oxygen, due to this pandemic.
- In that context and based on the current estimates, the company believes that COVID-19 is not likely to have any further impact on its financial statements, liquidity or ability to service its debt or other obligations. However, the overall economic environment, being uncertain due to COVID-19, may affect the underlying assumptions and estimates in future, which may differ from those considered as at date of approval of these financial statements. The company would closely monitor such developments in future economic conditions and consider their impact on the financial statements of the relevant period.
- 9 Transition to Ind AS -116 - Leases - Effective April 1, 2019, the Company has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise Right-of-Use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value. The Company has used the 'modified retrospective approach' for transition from the previous standard- Ind AS 17, and consequently, comparatives for previous periods have not been retrospectively adjusted. On transition, the Company records the lease liability at the present value of future lease payments discounted using the incremental borrowing rate and has also chosen the practical expedient provided in the standard to measure the right-of-use at the same value as the lease liability. The effect of Ind AS 116 on profit/(loss) for the current quarter and nine months ended December 31, 2021 is not material.
- 10 In the month of February 2020, Company had applied with Ministry of Company Affairs ("MCA") for closure of two of its wholly owned subsidiaries, Kesvik Developers Private Limited and Swaki Habitat Private Limited, as there were no operations done in these subsidiaries. Accordingly, the investments in the above mentioned subsidiaries were written off in the books of account during the quarter ended September 30, 2020. Further, the Company has received the order of Strike off from MCA on November 16, 2020.
- 11 Other Income for the year ended March 31, 2021 in Consolidated Financial results includes the profit on sale of properties of the Company situated at Bhandarkar Road, Pune. Consequently, major part of the sale proceeds have been utilised towards the repayment of the financial dues to the financial institutions.
- 12 Other expenses in standalone financial results of the Company during year ended March 31, 2021 includes ₹ 6,064.00 Lakhs provision made towards the investment in one of its wholly owned subsidiary, Luxquisite Parkland Private Limited.
- 13 As per the terms of the sanction letter received from Asset Restructuring Company Limited (ARCIL), the Company had to repay installment of ₹2,065 lacs, through sale of asset on or before June 30, 2021. The Company had requested ARCIL for extension of timeline for repayment of balance due till December 31, 2021. Since ARCIL had not agreed in principle to extend the due date, the Company had filed writ petition in the Honorable High Court of Karnataka seeking extension of time and stay on October 18, 2021. Further on February 02, 2022, The honorable High court has granted two weeks' time for hearing and until such time no precipitatory action to be taken by ARCIL.
- 14 Details of Secured Redeemable Non-Convertible Debentures - NIL
- 15 The following have been computed as:
- Paid up debt capital/outstanding debt= Non Current Borrowing, current portion of long term borrowings and current borrowings.
 - Debt equity ratio= Aggregate of outstanding debts/Equity attributable to shareholders.
 - DSCR= Profit or (Loss) before Depreciation and amortisation expense, finance costs, exceptional items and tax/(Long Term Loan principal repaid+Finance costs-Finance income).
 - ISCR= Profit or (Loss) before Depreciation and amortisation expense, finance costs, exceptional items and tax and finance income/Finance costs.
 - Fixed asset coverage ratio= Revalued Value of Property, Plant & Equipment and Capital Work in Progress / Long Term Loan.
- 16 Previous period figures have been regrouped wherever necessary to confirm with the current period presentation.

Place: Bengaluru
Date: February 09, 2022

Alt



Vijay R Kirloskar

(Vijay R Kirloskar)
Executive Chairman



K N PRABHASHANKAR & CO.

CHARTERED ACCOUNTANTS

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Bengaluru - 560 027. India

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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, 2021 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 5 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. We have relied on the management's representations that it is confident of realization of amounts due to the said subsidiaries aggregating to ₹11,784.89 lakhs (₹11,777.86 lakhs as at March 31, 2021) against which provision is recognized for an amount of ₹8,400.77 lakhs as at December 31, 2021 (₹8,400.77 lakhs as at March 31, 2021). Pending disposals/realization of assets by the subsidiaries, shortfall in 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 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 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(b) 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) have incurred losses and their net worth (after excluding Revaluation Reserve) 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. We have been appraised of the restructuring plan including monetization of few non-core assets, projection of increase in turnover and infusion of funds in the near future. Further, as on the date of results, the Company has entered into Agreement to sell few non-core assets whose Sale transaction is expected to be completed and funds to be received before the end of the current financial year. We have relied on the representations made by the Company and 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:

- 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.

Place: Bengaluru
Date: February 09, 2022



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

A. Umesh Patwardhan
Partner

M. No. 222945
UDIN: 2222945AAYAGE4066

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, 2021, 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 6(a) to the unaudited financial results regarding trade receivables/book debts exceeding two years and considered good by the management estimated at ₹2,456 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:
- Kirsons B V
 - Kelbuzz Trading Private Limited
 - Luxquisite Parkland Private Limited
 - SKG Terra Promonede Private Limited
 - 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 6(a) 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(b) 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) have incurred losses and their net worth (after excluding Revaluation Reserve) 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. We have been appraised of the restructuring plan including monetization of few non-core assets, projection of increase in turnover and infusion of funds in the near future. Further, as on the date of results, the Company has entered into Agreement to sell few non-core assets whose Sale transaction is expected to be completed and funds to be received before the end of the current financial year. We have relied on the representations made by the Company and 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 county 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 5 subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenues of ₹Nil and ₹Nil , total net loss after tax and total comprehensive loss of ₹(55) lakhs and ₹(156) lakhs for the quarter and nine months ended December 31, 2021 respectively, 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.

Place: Bengaluru
Date: February 09, 2022



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

A handwritten signature in black ink, appearing to be "A. Umesh Patwardhan".

A. Umesh Patwardhan
Partner
M. No. 222945
UDIN: 2222945AAYBBA1708