



# KIRLOSKAR ELECTRIC COMPANY LTD.,

Sect./14/2022-23

May 28, 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 of SEBI (LODR) Regulations, 2015;**

Time of commencement of meeting : 3:30 P.M

Time of conclusion of meeting : 4:40 P.M

Pursuant to the regulation under subject, please find enclosed, Ind AS compliant audited standalone and consolidated financial results of the Company for the quarter and year ended March 31, 2022 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 audit report and statement on impact of audit qualifications are also enclosed.

This is for your information and dissemination.

Thanking you

Yours faithfully

for KIRLOSKAR ELECTRIC COMPANY LIMITED



P.K. Varsha Raja

Interim Compliance Officer



Encl: a/a

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

T+91 80 2839 7256 / 2839 9094 F +91 80 2839 6727 Email Id: investors@kirloskarelectric.com

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

CIN:L31100KA1946PLC000415



(₹ in Lakhs)

Sl No	Particulars	Standalone					Consolidated				
		Quarter ended			Year ended		Quarter ended			Year ended	
		March 31, 2022	December 31, 2021'	March 31, 2021'	March 31, 2022	March 31, 2021	March 31, 2022	December 31, 2021'	March 31, 2021'	March 31, 2022	March 31, 2021'
	Audited	Unaudited	Audited	Audited	Audited	Audited	Unaudited	Audited	Audited	Audited	
	<b>INCOME FROM OPERATIONS:</b>										
I	Revenue from Operations	10,510	8,210	8,876	33,467	27,758	10,510	8,210	8,876	33,467	27,758
II	Other income	10,495	50	91	10,772	361	11,625	50	483	11,902	770
III	<b>Total Revenue (I+II)</b>	<b>21,005</b>	<b>8,260</b>	<b>8,967</b>	<b>44,239</b>	<b>28,119</b>	<b>22,135</b>	<b>8,260</b>	<b>9,359</b>	<b>45,369</b>	<b>28,528</b>
IV	<b>Expenses:</b>										
a	Cost of materials consumed	7,968	6,500	6,519	25,588	19,219	7,968	6,500	6,519	25,588	19,219
b	Change in inventories of finished goods, work in progress and stock in trade	(273)	(617)	208	(858)	904	(273)	(617)	208	(858)	904
c	Employee benefit expense	1,429	1,544	1,374	5,977	5,685	1,429	1,545	1,374	5,977	5,685
d	Finance costs	839	747	641	2,880	2,809	887	795	683	3,073	3,005
e	Depreciation and amortisation expenses	130	132	130	520	523	130	132	365	520	836
f	Other expenses	1,412	986	6,984	4,316	9,766	1,415	992	916	4,330	3,690
	<b>Total expenses</b>	<b>11,505</b>	<b>9,292</b>	<b>15,856</b>	<b>38,423</b>	<b>38,906</b>	<b>11,556</b>	<b>9,347</b>	<b>10,065</b>	<b>38,630</b>	<b>33,339</b>
V	<b>Profit / (loss) before exceptional and tax (III-IV)</b>	<b>9,500</b>	<b>(1,032)</b>	<b>(6,889)</b>	<b>5,816</b>	<b>(10,787)</b>	<b>10,579</b>	<b>(1,087)</b>	<b>(706)</b>	<b>6,739</b>	<b>(4,811)</b>
VI	Exceptional items (net of tax expense)	-	-	-	-	-	-	-	-	-	-
VII	<b>Profit / (loss) before tax (V-VI)</b>	<b>9,500</b>	<b>(1,032)</b>	<b>(6,889)</b>	<b>5,816</b>	<b>(10,787)</b>	<b>10,579</b>	<b>(1,087)</b>	<b>(706)</b>	<b>6,739</b>	<b>(4,811)</b>
VIII	<b>Tax expense:</b>										
a	Current Tax	-	-	-	-	-	-	-	-	-	-
b	Deferred tax	-	-	-	-	-	-	-	-	-	-
IX	<b>Profit / (loss) after tax (VII-VIII)</b>	<b>9,500</b>	<b>(1,032)</b>	<b>(6,889)</b>	<b>5,816</b>	<b>(10,787)</b>	<b>10,579</b>	<b>(1,087)</b>	<b>(706)</b>	<b>6,739</b>	<b>(4,811)</b>
X	<b>Other comprehensive income</b>										
(i)	<b>Items that will not be reclassified to profit or loss</b>										
a	Remeasurements of the defined benefit plans	15	-	90	15	90	15	-	90	15	90
b	Taxes on above	(4)	-	(25)	(4)	(25)	(4)	-	(25)	(4)	(25)
(ii)	<b>Items that may be reclassified to profit or loss</b>										
a	Mark to Market of Investments	(1)	2	11	8	24	(1)	2	11	8	24
b	Revaluation gain on land	(3,277)	-	16,522	(3,277)	16,522	(3,277)	-	16,522	(3,277)	16,522
b	Taxes on above	770	(1)	(3,707)	767	(3,710)	770	(1)	(3,707)	767	(3,710)
	<b>Total other comprehensive income</b>	<b>(2,497)</b>	<b>1</b>	<b>12,891</b>	<b>(2,491)</b>	<b>12,901</b>	<b>(2,497)</b>	<b>1</b>	<b>12,891</b>	<b>(2,491)</b>	<b>12,901</b>
XI	<b>Total comprehensive income for the period (IX+X)</b>	<b>7,003</b>	<b>(1,031)</b>	<b>6,002</b>	<b>3,325</b>	<b>2,114</b>	<b>8,082</b>	<b>(1,086)</b>	<b>12,185</b>	<b>4,248</b>	<b>8,090</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>Other Equity</b>				<b>3,673</b>	<b>348</b>					
	<b>Earnings per share(EPS) (face value of Rs. 10/- each)</b>										
a	Basic EPS (not annualised)	14.30	(1.55)	(10.37)	8.76	(16.24)	15.93	(1.64)	(1.06)	10.15	(7.24)
b	Diluted EPS (not annualised)	14.30	(1.55)	(10.37)	8.76	(16.24)	15.93	(1.64)	(1.06)	10.15	(7.24)
	<b>Paid-up debt capital/outstanding debts</b>										
	Debenture redemption reserve				-	-					
	Net worth				(25,662)	(31,494)					
	Fixed asset coverage ratio				3.31	2.82					
	Debt equity ratio				1.29	2.43					
	Debt service coverage ratio (DSCR)				1.93	(2.65)					
	Interest service coverage ratio (ISCR)				3.20	(2.65)					



*Angur L. Desai*

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REVENUES, RESULTS, ASSETS, LIABILITIES AND CAPITAL EMPLOYED FOR THE SEGMENTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Sl No	Particulars	Standalone					Consolidated				
		Quarter ended		Year ended			Quarter ended			Year ended	
		March 31, 2022	December 31, 2021'	March 31, 2021'	March 31, 2022	March 31, 2021	March 31, 2022	December 31, 2021'	March 31, 2021'	March 31, 2022	March 31, 2021'
	Audited	Unaudited	Audited	Audited	Audited	Audited	Unaudited	Audited	Audited	Audited	
1	<b>Segment Revenues</b>										
	Power generation/ distribution	4,007	2,941	3,630	12,980	11,500	4,007	2,941	3,630	12,980	11,500
	Rotating machines	6,129	4,616	5,067	18,594	15,390	6,129	4,616	5,067	18,594	15,390
	Others	443	701	220	2,126	1,093	443	701	220	2,126	1,093
	<b>Total</b>	<b>10,579</b>	<b>8,258</b>	<b>8,917</b>	<b>33,700</b>	<b>27,983</b>	<b>10,579</b>	<b>8,258</b>	<b>8,917</b>	<b>33,700</b>	<b>27,983</b>
	Less: Inter segment revenues	69	48	41	233	225	69	48	41	233	225
	<b>Revenue from operations</b>	<b>10,510</b>	<b>8,210</b>	<b>8,876</b>	<b>33,467</b>	<b>27,758</b>	<b>10,510</b>	<b>8,210</b>	<b>8,876</b>	<b>33,467</b>	<b>27,758</b>
2	<b>Segment Results</b>										
	Profit / (loss) before interest and tax expense										
	Power generation/ distribution	(82)	(104)	67	(498)	66	(82)	(104)	67	(498)	66
	Rotating machines	554	169	238	424	(59)	554	169	238	424	(59)
	Others	57	306	75	853	407	57	306	75	853	407
	<b>Total</b>	<b>529</b>	<b>371</b>	<b>380</b>	<b>779</b>	<b>414</b>	<b>529</b>	<b>371</b>	<b>380</b>	<b>779</b>	<b>414</b>
	Less: Interest	839	747	641	2,880	2,809	887	795	683	3,073	3,005
	Less: Other unallocable expenditure (net off unallocable Income)	(9,810)	656	6,628	(7,917)	8,392	(10,937)	663	403	(9,033)	2,220
	<b>Total profit / (loss) before tax expense</b>	<b>9,500</b>	<b>(1,032)</b>	<b>(6,889)</b>	<b>5,816</b>	<b>(10,787)</b>	<b>10,579</b>	<b>(1,087)</b>	<b>(706)</b>	<b>6,739</b>	<b>(4,811)</b>
3	<b>Segment Assets</b>										
	Power generation/ distribution	7,535	6,753	7,594	7,535	7,594	7,535	6,753	7,594	7,535	7,594
	Rotating machines	36,078	39,899	39,708	36,078	39,708	36,078	39,899	39,708	36,078	39,708
	Others	8,553	8,862	8,655	8,553	8,655	8,553	8,862	8,655	8,553	8,655
	<b>Total</b>	<b>52,166</b>	<b>55,514</b>	<b>55,957</b>	<b>52,166</b>	<b>55,957</b>	<b>52,166</b>	<b>55,514</b>	<b>55,957</b>	<b>52,166</b>	<b>55,957</b>
	Add Unallocable Assets	10,544	7,303	7,908	10,544	7,908	9,332	6,093	6,702	9,332	6,702
	<b>Total Segment Assets</b>	<b>62,710</b>	<b>62,817</b>	<b>63,865</b>	<b>62,710</b>	<b>63,865</b>	<b>61,498</b>	<b>61,607</b>	<b>62,659</b>	<b>61,498</b>	<b>62,659</b>
4	<b>Segment Liabilities</b>										
	Power generation/ distribution	11,233	10,946	9,054	11,233	9,054	11,233	10,946	9,054	11,233	9,054
	Rotating machines	15,541	15,753	15,018	15,541	15,018	15,541	15,753	15,018	15,541	15,018
	Others	788	930	667	788	667	788	930	667	788	667
	<b>Total</b>	<b>27,562</b>	<b>27,629</b>	<b>24,739</b>	<b>27,562</b>	<b>24,739</b>	<b>27,562</b>	<b>27,629</b>	<b>24,739</b>	<b>27,562</b>	<b>24,739</b>
	Add Unallocable Liabilities	24,834	31,876	32,137	24,834	32,137	26,334	34,458	34,566	26,334	34,566
	<b>Total Segment Liabilities</b>	<b>52,396</b>	<b>59,505</b>	<b>56,876</b>	<b>52,396</b>	<b>56,876</b>	<b>53,896</b>	<b>62,087</b>	<b>59,305</b>	<b>53,896</b>	<b>59,305</b>
5	<b>Capital Employed (Segment Assets-Segment Liabilities)</b>										
	Power generation/ distribution	(3,698)	(4,193)	(1,460)	(3,698)	(1,460)	(3,698)	(4,193)	(1,460)	(3,698)	(1,460)
	Rotating machines	20,537	24,146	24,690	20,537	24,690	20,537	24,146	24,690	20,537	24,690
	Others	7,765	7,932	7,988	7,765	7,988	7,765	7,932	7,988	7,765	7,988
	<b>Total capital employed in segments</b>	<b>24,604</b>	<b>27,885</b>	<b>31,218</b>	<b>24,604</b>	<b>31,218</b>	<b>24,604</b>	<b>27,885</b>	<b>31,218</b>	<b>24,604</b>	<b>31,218</b>
	Add: Unallocated	(14,290)	(24,573)	(24,229)	(14,290)	(24,229)	(17,002)	(28,365)	(27,864)	(17,002)	(27,864)
	<b>Total capital employed</b>	<b>10,314</b>	<b>3,312</b>	<b>6,989</b>	<b>10,314</b>	<b>6,989</b>	<b>7,602</b>	<b>(480)</b>	<b>3,354</b>	<b>7,602</b>	<b>3,354</b>

*Pragya L. Chandra*



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## STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2022

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)	As at March 31, 2022 (Audited)	As at March 31, 2021 (Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	44,151	47,910	44,151	47,910
(b) Capital work-in-progress	67	35	67	35
(c) Investment Property	-	147	15	162
(d) Other Intangible assets	19	24	19	24
(e) Financial assets				
(i) Investments	1,035	1,027	166	158
(ii) Trade Receivables	440	435	440	435
(iii) Other financial assets	170	162	170	162
(f) Other non-current assets	2,013	2,272	2,090	2,339
<b>Total Non-current assets</b>	<b>47,895</b>	<b>52,012</b>	<b>47,118</b>	<b>51,225</b>
<b>Current assets</b>				
(a) Inventories	4,711	4,029	4,711	4,029
(b) Financial assets			-	
(i) Trade receivables	1,440	2,359	3,839	4,785
(ii) Cash and cash equivalents	3,671	689	3,747	760
(iii) Other Bank balances	1,055	1,063	1,063	1,070
(c) Other current assets	3,938	3,713	1,020	790
<b>Total Current assets</b>	<b>14,815</b>	<b>11,853</b>	<b>14,380</b>	<b>11,434</b>
<b>TOTAL ASSETS</b>	<b>62,710</b>	<b>63,865</b>	<b>61,498</b>	<b>62,659</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Shareholders' funds</b>				
(a) Share capital	6,641	6,641	6,641	6,641
(b) Other equity	3,673	348	957	(3,291)
<b>Equity attributable to shareholders of Kirloskar Electric Company</b>	<b>10,314</b>	<b>6,989</b>	<b>7,598</b>	<b>3,350</b>
<b>Non-controlling interest</b>	<b>-</b>	<b>-</b>	<b>4</b>	<b>4</b>
<b>TOTAL EQUITY</b>	<b>10,314</b>	<b>6,989</b>	<b>7,602</b>	<b>3,354</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	-	2,335	-	2,335
(ii) Other financial liabilities	605	620	605	620
(b) Provisions	2,727	2,538	2,727	2,538
(c) Deferred tax liabilities (net)	3,981	4,744	3,981	4,744
<b>Total Non current liabilities</b>	<b>7,313</b>	<b>10,237</b>	<b>7,313</b>	<b>10,237</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	13,341	14,669	14,214	15,542
(ii) Trade payables			-	
(i) micro and small enterprises, and	579	191	579	190
(ii) other than micro and small enterprises	14,833	13,715	14,833	13,718
(iii) Other financial liabilities	170	3,364	647	4,789
(b) Provisions	3,211	3,017	3,211	3,017
(c) Other current liabilities	12,949	11,667	13,099	11,811
(d) Current tax liabilities (net)	-	16	-	1
<b>Total Current liabilities</b>	<b>45,083</b>	<b>46,639</b>	<b>46,583</b>	<b>49,068</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>62,710</b>	<b>63,865</b>	<b>61,498</b>	<b>62,659</b>



*Mugunth K. Chandra*

*AK*



KIRLOSKAR ELECTRIC COMPANY LIMITED  
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2022

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	March 31, 2022	March 31, 2021	March 31, 2022	March 31, 2021
	(Audited)	(Audited)	(Audited)	(Audited)
<b>Cash flows from operating activities</b>				
Profit / (loss) before taxation	5,816	(10,787)	6,739	(4,811)
Adjustments for:				
Depreciation and amortisation	520	523	520	836
Provisions (net)	609	6,570	610	506
(Profit)/loss on sale of fixed assets	(3,485)	(4)	(3,485)	(397)
Interest income	(73)	(107)	(73)	(124)
(Profit)/loss on sale of investment property	(6,633)	-	(6,633)	-
Provision for asset held for sale withdrawn	-	-	-	(8)
Finance costs	2,880	2,809	3,073	3,005
	<b>(6,182)</b>	<b>9,791</b>	<b>(5,988)</b>	<b>3,818</b>
	<b>(366)</b>	<b>(996)</b>	<b>751</b>	<b>(993)</b>
(Increase)/ decrease in trade and other receivables	810	1,563	832	806
(Increase)/ decrease in inventories	(682)	871	(682)	871
Increase/ (decrease) in trade payables and other current liabilities	2,774	2,180	2,777	2,231
	<b>2,902</b>	<b>4,614</b>	<b>2,927</b>	<b>3,908</b>
	<b>2,536</b>	<b>3,618</b>	<b>3,678</b>	<b>2,915</b>
Income taxes paid	127	(81)	122	(76)
<b>Net cash from operating activities</b>	<b>2,409</b>	<b>3,699</b>	<b>3,556</b>	<b>2,991</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(65)	(247)	3,212	(247)
Proceeds from sale of property, plant and equipment	3,526	4	249	405
Purchase of investments	-	-	-	-
Proceeds from sale of investment property	6,780	-	6,780	-
Interest received	70	125	70	144
Increase in margin money and short term deposits	-	(537)	-	253
Dividend received	-	-	-	-
<b>Net cash from investing activities</b>	<b>10,311</b>	<b>(655)</b>	<b>10,311</b>	<b>555</b>
<b>Cash flows from financing activities</b>				
Repayment of long term borrowings	(4,142)	(1,098)	(4,142)	(990)
ICD's Accepted	1,082	366	1,082	-
ICD's Repaid net	(2,766)	-	(2,766)	(94)
Repayment of fixed deposits from public	(7)	(2)	(7)	(2)
Increase/ (decrease) of short term borrowings (net)	2,169	194	2,168	194
Finance costs	(6,074)	(2,404)	(7,215)	(2,505)
<b>Net cash from financing activities</b>	<b>(9,738)</b>	<b>(2,944)</b>	<b>(10,880)</b>	<b>(3,397)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>2,982</b>	<b>100</b>	<b>2,987</b>	<b>149</b>
Cash and cash equivalents at beginning of the year	689	589	760	611
Cash and cash equivalents at end of the year	<b>3,671</b>	<b>689</b>	<b>3,747</b>	<b>760</b>



*Pragya J. Chavan*

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**Notes:**

- 1 The above audited standalone and consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on May 28, 2022.
- 2 The standalone and consolidated financial results of the Company for the quarter and year ended March 31, 2022 have been audited 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/CMDI/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 March 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 ₹11,762.42 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 March 31, 2022 (₹8,400.77 lakhs provided upto March 31, 2021).
- 6(a) In case of Consolidated audited 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 ₹ 2,434 lakhs.
- 6(b) The net worth (after excluding revaluation reserve) of the group in terms of the consolidated financial statement as at March 31, 2022 consisting of the Company, its subsidiaries and its associate is eroded. There is an overdue of Rs. 7.55 Crores repayable to a bank other than overdue payment to creditors. The company has repaid all term loans including Asset Restructuring Company Limited (ARCL) 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.
- 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.




*[Handwritten signature]*



- 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 year ended March 31, 2022 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 quarter and year ended March 31, 2022 includes the profit on sale of 29.5 acres of land of the Company situated at Hubballi and 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.
- 12 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.
- 13 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.
- 14 The figures for the quarter ended March 31, 2022 are the balancing figures between the audited figures in respect of the full year ended March 31, 2022 and nine months ended December 31, 2021.
- 15 Details of Secured Redeemable Non-Convertible Debentures - NIL
- 16 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.
- 18 Previous period figures have been regrouped wherever necessary to confirm with the current period presentation.

Place: Bengaluru  
Date: May 28, 2022

  
(Vijay R Kirloskar)  
Executive Chairman







**Auditor's Report on Standalone Quarterly Financial Results and Year to Date 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 audited the accompanying Statement of Standalone financial results of Kirloskar Electric Company Limited ('the Company') for the quarter ended March 31, 2022 and for the year ended March 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 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("Regulation") as amended. 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. Our responsibility is to express an opinion on the statement based on our audit of such Standalone financial statements.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.

**3. Basis of Qualified Opinion:**

Attention of the Directors is invited to note 5 to the audited financial results regarding 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 Rs.11,762.42 lakhs (Rs.11,777.86 lakhs as at March 31, 2021) against which provision is recognized for an amount of Rs.8,400.77 lakhs as at March 31, 2022 (₹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.

Based on our audit conducted as above except for the effects in respect of the matter stated in the paragraph on "Basis of Qualified Opinion" and to the best of our information and according to the explanations given to us, these quarterly and year to date financial results:





- a) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended in this regard; and
- b) give a true and fair view of total comprehensive income (comprising of net profit and other comprehensive loss) and other financial information for the quarter ended March 31, 2022 and for the year ended March 31, 2022.

#### 4. Key Audit Matters:

- a) Note 6(b) of the audited financial results - The directors have detailed the reasons for preparing these audited 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 and overdue payment of Rs.7.55 Crores payable to a bank. During the year, the Company has repaid all the term loans including Asset Reconstruction Company India Limited (ARCIL) which was restructured under JLF mechanism. 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. 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.

#### 5. Emphasis of Matter:

- a) Note 7 of the audited financial results, which states that the Company has filed Special Leave Petition in respect of demands of resale tax penalty of Rs.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.

In respect of the matter detailed in paragraph (a) above, management has represented to us that it is not probable that there will be an outflow of economic benefits and hence no provision is required to be recognized in this regard. We have relied on such representations.

#### 6. Other Matters:

- a) We did not audit the financial statement/information of one branch of the Company, included in the financial results of the Company for the quarter ended and year ended March 31, 2022 whose financial statements/information reflect total assets of Rs.56.09 lakhs as at March 31, 2022 and total revenues of Rs. 505.98 lakhs for the year ended on that date. The financial statements/information of the said branch has been prepared and submitted to us by the Management and our opinion on the year to date standalone results to the extent they have been derived from such financial statements is based solely on the financial statements/information provided to us by the Management. Our report is not modified in respect of this matter.
- b) We did not audit the financial statements/information of one branch of the Company, included in the financial results of the Company for the quarter ended and year ended March 31, 2022 whose financial statements/information reflect total assets of Rs.217.31 lakhs as at March 31, 2022 and total revenues of Rs.0.52 lakhs for the year ended on that date. The financial statements/information of the said branch has been audited by the other auditor whose report has been furnished to us and our opinion on the year to date standalone results to the extent they have been derived from such financial statements is based solely on the report of such other auditor. Our report is not modified in respect of this matter.



7. The figures for the quarter ended March 31, 2022 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2022 and the published year-to-date figures upto December 31, 2021, being the date of the end of the third quarter of the current financial year, subjected to a limited review by us.

For K N Prabhashankar & Co.,  
Chartered Accountants  
Firm Reg. No. 004982S



A. Umesh Patwardhan  
Partner

Place: Bengaluru  
Date: May 28, 2022



M. No. 222945  
UDIN: 2222945AJUTLV6728

**K N PRABHASHANKAR & CO.**

CHARTERED ACCOUNTANTS

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

Bengaluru - 560 027. India

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

e-mail: knp@akpco.com

**Auditor's Report on Consolidated Financial Results for the Year to Date Results of the Group 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 audited the accompanying Statement of Consolidated financial results of Kirloskar Electric Company Limited ("the Company") and its subsidiaries and associates (collectively referred as "Group") for the year ended March 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 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("Regulation") as amended. 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 Accounting Standards 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. Our responsibility is to express an opinion on the statement based on our audit of such Consolidated financial statements.
2. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Statement. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Parent's preparation and fair presentation of the Statement in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the Parent's internal financial control with reference to the Statement. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Management, as well as evaluating the overall presentation of the Statement.

We believe that the audit evidence obtained by us and the audit evidence obtained by the branch auditors and other auditors in terms of their reports referred to in paragraph 4 below, is sufficient and appropriate to provide a basis for our qualified audit opinion.

**3. Basis of Qualified Opinion:**

Attention of the Directors is invited to note 6(a) to the audited financial results regarding trade receivables/book debts exceeding two years and considered good by the management estimated at Rs.2,434 lakhs. The relevant accounts are 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.



#### 4. Key Audit Matters:

- a) Note 6(b) of the audited financial results - The directors have detailed the reasons for preparing these audited 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 and overdue payment of Rs.7.55 Crores payable to a bank. During the year, the Company has repaid all the term loans including Asset Reconstruction Company India Limited (ARCIL) which was restructured under JLF mechanism. 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. 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.

#### 5. Emphasis of Matter:

- a) Note 7 of the audited financial results, which states that the Company has filed Special Leave Petition in respect of demand of resale tax penalty of Rs.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.

In respect of the matter detailed in paragraph (a) above, management has represented to us that it is not probable that there will be an outflow of economic benefits and hence no provision is required to be recognized in this regard. We have relied on such representations.

#### 6. Other Matters:

- a. We did not audit the financial statements of 4 subsidiaries included in the Consolidated year to date financial results, whose Consolidated financial results reflect total assets of Rs.101.44 lakhs as at March 31, 2022, total revenues of Rs.1,129.82 lakhs and net cash flows of Rs.5.62 lakhs for the year ended on that date, as considered in the Consolidated financial results. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion on the year to date Consolidated results to the extent they have been derived from such financial statements is based solely on the report of such other auditors. Our report is not modified in respect of this matter.
- b. We did not audit the financial statement of 1 subsidiary included in the Consolidated year to date financial results, whose financial results reflect total assets of Rs.398.57 lakhs as at March 31, 2022, total revenues of Rs.Nil lakhs and net cash flows of (Rs.0.08) lakhs for the year ended on that date, as considered in the Consolidated financial results. This financial statement and other financial information has prepared and provided to us by the management and our opinion on the year to date Consolidated results to the extent they have been derived from such financial statement is based solely on the report of the management. Our report is not modified in respect of this matter.
- c. We have received and considered the Audited financial statements of Kirloskar (Malaysia) Sdn, Bhd., an associate of the Company audited by another auditor in which share of loss of the Group was Rs. Nil (restricted to the value of the investments) in the preparation of these Consolidated financial results.



7. i. Based on our audit conducted as above except for the effects in respect of the matter stated in the paragraph on "Basis of Qualified Opinion", Other Matters, and to the best of our information and according to the explanations given to us, these year to date Consolidated financial results include the year to date 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

ii. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and

iii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated total comprehensive income (comprising of net profit and other comprehensive loss) and other financial information of the Group for the year ended March 31, 2022.

For K N Prabhashankar & Co.,  
Chartered Accountants  
Firm Reg. No. 004982S



*Atl*  
A. Umesh Patwardhan  
Partner

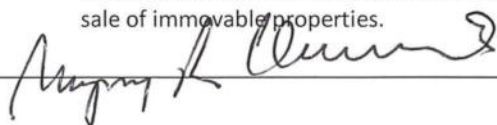
M. No. 222945  
UDIN: 22222945AJUTSI6383

Place: Bengaluru  
Date: May 28, 2022

**ANNEXURE I**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Standalone)**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022</b> [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lakhs)
	1.	Turnover / Total income	44,239	44,239
	2.	Total Expenditure	38,423	38,423
	3.	Net Profit/(Loss)	5,816	5,816
	4.	Earnings Per Share	8.76	8.76
	5.	Total Assets	62,710	62,710
	6.	Total Liabilities	52,396	52,396
	7.	Net Worth	10,314	10,314
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II.	<p><b><u>Audit Qualification (each audit qualification separately):</u></b></p> <p>a. <b>Details of Audit Qualification:</b></p> <p>Attention of the Directors is invited to note 5 to the audited financial results regarding amounts due to the Company from certain subsidiaries towards part consideration receivable on sale and 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 Rs.11,762.42 lakhs (Rs. 11,777.86 lakhs as at March 31, 2021) against which provision is recognized for an amount of Rs.8,400.77 lakhs. Pending disposals/realization of assets by the subsidiaries, shortfall in realization of the amount outstanding (net of provision), if any, could not be ascertained.</p> <p>b. <b>Type of Audit Qualification :</b> Qualified Opinion</p> <p>c. <b>Frequency of qualification:</b> Repetitive</p> <p>d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> Not Applicable</p> <p>e. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b></p> <p>(i) <b>Management's estimation on the impact of audit qualification:</b></p> <p>These subsidiaries are taking active steps to repay the dues of the Company, from collection of book debts assigned and from disposal of immovable properties transferred apart from debts transferred as referred above. The board of directors are confident of realisation of the entire amounts due from the said subsidiaries as we are sure or realizing much more amount from the sale of immovable properties.</p>			



(ii) **If management is unable to estimate the impact, reasons for the same:**

Same as Above comment.

(iii) **Auditors' Comments on (i) or (ii) above:**

Same as Above in Point a

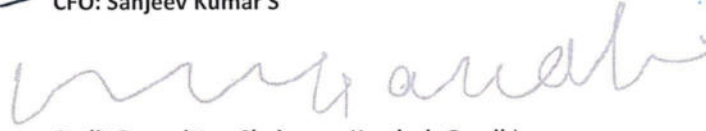
III. **Signatories:**



- Executive Chairman: Vijay R Kirloskar



- CFO: Sanjeev Kumar S



- Audit Committee Chairman: Kamlesh Gandhi



- Statutory Auditor: A. Umesh Patwardhan, Mem. No.222945

K N Prabhaskar & Co.,  
Chartered Accountants  
Firm Regn. No.0004982S

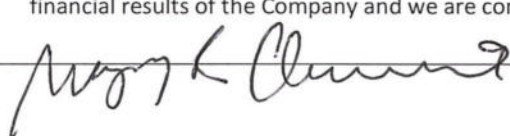


Place: Bengaluru

Date: May 28, 2022

**ANNEXURE I**

**Statement on Impact of Audit Qualifications (for audit report with modified opinion) submitted along-with Annual Audited Financial Results - (Consolidated)**

<b>Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2022</b> [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lakhs)
	1.	Turnover / Total income	45,369	45,369
	2.	Total Expenditure	38,630	38,630
	3.	Net Profit/(Loss)	6,739	6,739
	4.	Earnings Per Share	10.15	10.15
	5.	Total Assets	61,498	61,498
	6.	Total Liabilities	53,896	53,896
	7.	Net Worth	7,602	7,602
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II.	<b><u>Audit Qualification (each audit qualification separately):</u></b>  a. <b>Details of Audit Qualification:</b> Attention of the Directors is invited to note 6(a) to the audited financial results regarding trade receivables/book debts exceeding two years and considered good by the management estimated at Rs.2,434 lakhs. The relevant accounts are subject to adjustments, if required after management completes review, reconciliation and identification of further doubtful debts. We are unable to express an independent opinion on the extent of shortfall in the recovery of the same.  b. <b>Type of Audit Qualification :</b> Qualified Opinion  c. <b>Frequency of qualification:</b> Repetitive  d. <b>For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:</b> Not Applicable  e. <b>For Audit Qualification(s) where the impact is not quantified by the auditor:</b>  (i) <b>Management's estimation on the impact of audit qualification:</b> The Company is in the process of completing the review and reconciliation of receivables/book debts and in our opinion any further provision required will not have material impact on the financial results of the Company and we are confident of realizing the book debts.  			



(ii) If management is unable to estimate the impact, reasons for the same:

Same as Above comment.

(iii) Auditors' Comments on (i) or (ii) above:

Same as Above in Point a

III. Signatories:



- Executive Chairman: Vijay R Kirloskar



- CFO: Sanjeev Kumar S



- Audit Committee Chairman: Kamlesh Gandhi



- Statutory Auditor: A. Umesh Patwardhan, Mem. No.222945

K N Prabhashankar & Co.,  
Chartered Accountants  
Firm Regn. No.0004982S



Place: Bengaluru

Date: May 28, 2022