



KIRLOSKAR ELECTRIC COMPANY LTD.,

Sect./61/2020-21
February 10, 2021

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 33 of SEBI (LODR) Regulations, 2015;

Time of commencement of meeting : 10.30 A.M
Time of conclusion of meeting : 01.00 P.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 nine months ended December 31, 2020 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 Report on quarterly unaudited standalone and consolidated financial results is enclosed.

This is for your information and dissemination.

Thanking you

Yours faithfully
for **KIRLOSKAR ELECTRIC COMPANY LIMITED**




K S Swapna Latha
Sr. General Manager (Legal) & Company Secretary

Encl: a/a

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CIN: L31100KA1946PLC000415



(₹ in Lakhs)

Sl No	Particulars	Standalone						Consolidated						
		Quarter ended			Nine Months Ended			Quarter ended			Nine Months Ended			Year ended
		December 31, 2020'	September 30, 2020'	December 31, 2019'	December 31, 2020'	December 31, 2019'	March 31, 2020	December 31, 2020'	September 30, 2020'	December 31, 2019'	December 31, 2020'	December 31, 2019'	March 31, 2020	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
	INCOME FROM OPERATIONS:													
I	Revenue from Operations	7,713	7,044	8,347	18,882	23,280	31,441	7,713	7,044	8,347	18,882	23,280	31,441	
II	Other income	149	68	158	270	343	428	152	74	6,682	287	8,420	8,508	
III	Total Revenue (I+II)	7,862	7,112	8,505	19,152	23,623	31,869	7,865	7,118	15,029	19,169	31,700	39,949	
IV	Expenses:													
a	Cost of materials consumed	5,277	4,475	4,867	12,700	15,584	21,435	5,277	4,475	4,867	12,700	15,584	21,435	
b	Change in inventories of finished goods, work in progress and stock in trade	346	543	676	696	188	(229)	346	543	676	696	188	(229)	
c	Employee benefit expense	1,412	1,449	1,661	4,311	4,835	6,295	1,412	1,449	1,661	4,311	4,835	6,295	
d	Finance costs	725	718	913	2,168	2,662	3,432	754	771	1,133	2,322	3,439	4,267	
e	Depreciation and amortisation expenses	130	132	138	393	416	556	156	158	164	471	495	660	
f	Other expenses	1,048	935	6,502	2,782	8,354	9,450	1,047	936	1,063	2,774	2,934	3,972	
	Total expenses	8,938	8,252	14,757	23,050	32,039	40,939	8,992	8,332	9,564	23,274	27,475	36,400	
V	Profit / (loss) before exceptional and tax (III-IV)	(1,076)	(1,140)	(6,252)	(3,898)	(8,416)	(9,070)	(1,127)	(1,214)	5,465	(4,105)	4,225	3,549	
VI	Exceptional items (net of tax expense)	-	-	-	-	471	471	-	-	-	-	982	982	
VII	Profit / (loss) before tax (V-VI)	(1,076)	(1,140)	(6,252)	(3,898)	(7,945)	(8,599)	(1,127)	(1,214)	5,465	(4,105)	5,207	4,531	
VIII	Tax expense:													
a	Current Tax	-	-	-	-	-	-	-	-	-	-	-	-	
b	Deferred tax	-	-	-	-	-	-	-	-	-	-	-	-	
IX	Profit / (loss) after tax (VII-VIII)	(1,076)	(1,140)	(6,252)	(3,898)	(7,945)	(8,599)	(1,127)	(1,214)	5,465	(4,105)	5,207	4,531	
X	Other comprehensive income													
	(I) Items that will not be reclassified to profit or loss													
a)	Remeasurements of the defined benefit plans	-	-	-	-	-	(165)	-	-	-	-	-	(165)	
b)	Taxes on above	-	-	-	-	-	46	-	-	-	-	-	46	
	(ii) Items that may be reclassified to profit or loss													
a)	Mark to Market of Investments	11	-	6	13	8	10	11	-	6	13	8	10	
b)	Revaluation gain on land	-	-	-	-	-	-	-	-	-	-	-	-	
b)	Taxes on above	(2)	-	(1)	(3)	(2)	(3)	(2)	-	(1)	(3)	1	(3)	
	Total other comprehensive income	9	-	5	10	6	(112)	9	-	5	10	9	(112)	
XI	Total comprehensive income for the period (IX+X)	(1,067)	(1,140)	(6,247)	(3,888)	(7,939)	(8,711)	(1,118)	(1,214)	5,470	(4,095)	5,216	4,419	
	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						(1,767)							
	Earnings per share(EPS) (face value of Rs. 10/- each)													
a	Basic EPS (not annualised)	(1.62)	(1.72)	(9.41)	(5.87)	(11.95)	(12.94)	(1.70)	(1.83)	8.23	(6.18)	7.84	6.82	
b	Diluted EPS (not annualised)	(1.62)	(1.72)	(9.41)	(5.87)	(11.95)	(12.94)	(1.70)	(1.83)	8.23	(6.18)	7.84	6.82	

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REVENUES, RESULTS, ASSETS, LIABILITIES AND CAPITAL EMPLOYED FOR THE SEGMENTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31, 2020

(₹ in Lakhs)

Sl No.	Particulars	Standalone						Consolidated					
		Quarter ended			Nine Months Ended		Year ended	Quarter ended			Nine Months Ended		Year ended
		December 31, 2020'	September 30, 2020'	December 31, 2019'	December 31, 2020'	December 31, 2019'	March 31, 2020	December 31, 2020'	September 30, 2020'	December 31, 2019'	December 31, 2020'	December 31, 2019'	March 31, 2020
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Segment Revenues												
	Power generation/ distribution	3,274	3,284	3,388	7,870	8,353	11,075	3,274	3,284	3,388	7,870	8,353	11,075
	Rotating machines	4,143	3,601	4,848	10,323	14,567	19,743	4,143	3,601	4,848	10,323	14,567	19,743
	Others	381	250	185	873	608	965	381	250	185	873	608	965
	Total	7,798	7,135	8,421	19,066	23,528	31,783	7,798	7,135	8,421	19,066	23,528	31,783
	Less: Inter segment revenues	85	91	74	184	248	342	85	91	74	184	248	342
	Revenue from operations	7,713	7,044	8,347	18,882	23,280	31,441	7,713	7,044	8,347	18,882	23,280	31,441
2	Segment Results												
	Profit / (loss) before interest and tax expense												
	Power generation/ distribution	188	58	398	(1)	816	868	188	58	398	(1)	816	868
	Rotating machines	(63)	42	344	(297)	711	1,274	(63)	42	344	(297)	711	1,274
	Others	171	66	65	332	197	301	171	66	65	332	197	301
	Total	296	166	807	34	1,724	2,443	296	166	807	34	1,724	2,443
	Less: Interest	725	718	913	2,168	2,662	3,432	754	771	1,133	2,322	3,439	4,267
	Less: Other unallocable expenditure (net off unallocable Income)	647	588	6,146	1,764	7,007	7,610	669	609	(5,791)	1,817	(6,922)	(6,355)
	Total profit / (loss) before tax expense	(1,076)	(1,140)	(6,252)	(3,898)	(7,945)	(8,599)	(1,127)	(1,214)	5,465	(4,105)	5,207	4,531
3	Segment Assets												
	Power generation/ distribution	8,146	8,308	9,189	8,146	9,189	9,199	8,146	8,308	9,189	8,146	9,189	9,199
	Rotating machines	23,905	23,982	25,439	23,905	25,439	24,962	23,905	23,982	25,439	23,905	25,439	24,962
	Others	7,584	7,397	6,975	7,584	6,975	7,550	7,584	7,397	6,975	7,584	6,975	7,550
	Total	39,635	39,687	41,603	39,635	41,603	41,711	39,635	39,687	41,603	39,635	41,603	41,711
	Add Unallocable Assets	13,880	13,814	13,755	13,880	13,755	13,870	6,588	6,833	8,367	6,588	8,367	6,911
	Total Segment Assets	53,515	53,501	55,358	53,515	55,358	55,581	46,223	46,520	49,970	46,223	49,970	48,622
4	Segment Liabilities												
	Power generation/ distribution	9,467	8,955	9,544	9,467	9,544	8,289	9,467	8,955	9,544	9,467	9,544	8,289
	Rotating machines	14,219	14,086	14,041	14,219	14,041	12,875	14,219	14,086	14,041	14,219	14,041	12,875
	Others	648	624	786	648	786	780	648	624	786	648	786	780
	Total	24,334	23,665	24,371	24,334	24,371	21,944	24,334	23,665	24,371	24,334	24,371	21,944
	Add Unallocable Liabilities	28,195	27,783	25,341	28,195	25,341	28,763	30,722	30,568	29,537	30,722	29,537	31,415
	Total Segment Liabilities	52,529	51,448	49,712	52,529	49,712	50,707	55,056	54,233	53,908	55,056	53,908	53,359
5	Capital Employed (Segment Assets-Segment Liabilities)												
	Power generation/ distribution	(1,321)	(647)	(355)	(1,321)	(355)	910	(1,321)	(647)	(355)	(1,321)	(355)	910
	Rotating machines	9,686	9,896	11,398	9,686	11,398	12,087	9,686	9,896	11,398	9,686	11,398	12,087
	Others	6,936	6,773	6,189	6,936	6,189	6,770	6,936	6,773	6,189	6,936	6,189	6,770
	Total capital employed in segments	15,301	16,022	17,232	15,301	17,232	19,767	15,301	16,022	17,232	15,301	17,232	19,767
	Add: Unallocated	(14,315)	(13,969)	(11,586)	(14,315)	(11,586)	(14,893)	(24,134)	(23,735)	(21,170)	(24,134)	(21,170)	(24,504)
	Total capital employed	986	2,053	5,646	986	5,646	4,874	(8,833)	(7,713)	(3,938)	(8,833)	(3,938)	(4,737)

Sh



M. R. Kumar



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 10, 2021.
- 2 The standalone and consolidated financial results of the Company for the quarter ended December 31, 2020 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/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 December 31, 2020 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 ₹12,059.99 lakhs (₹12,594.77 lakhs as at September 30, 2020) 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. During the year ended March 31, 2020, the Company has sold major portion of the Saleable properties held by its Subsidiaries at Mysore and these subsidiaries have repaid all their dues to banks except in case of KELBUZ & SKG terra, wherein specific assets are held for disposal. 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, 2020.
- 6 During the quarter ended June 30, 2018, Company Bankers - Axis Bank had assigned its total debts due (excluding the Bank Guarantee Limits) in the Company and one of its subsidiary, Kelbuzz Trading Private Limited alongwith the underlying financial documents together with rights, benefits and obligations' there under to Asset Reconstruction Company (India) Ltd (ARCIL). During the quarter ended September 30, 2019, the Company has received the final Term Sheet based on which the necessary entries have been passed in the books of account and net benefit on account of such assignment has been shown under Exceptional Items of ₹ 471 Lakhs in Standalone and ₹ 982 in Consolidated Financial results.
- 7(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 Rs.2,461 lakhs.



- 7(b) The net worth (after excluding revaluation reserve) of the group in terms of the consolidated financial statements as at December 31, 2020 consisting of the Company, its subsidiaries and its associate is eroded. There were certain overdues in respect of banks and 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 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.
- 8 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.
- 9 In March 2020, the WORLD HEALTH ORGANISATION declared COVID-19 to be a pandemic. Government in India has taken significant measures to curb the spread of the virus including imposing mandatory lockdowns and restrictions in various activities. Due to the lockdown from March 24, 2020, the operations came to a standstill and the sales were effected for the Month of April and May 2020. As a result of the lockdown, the revenue for the nine months ended December 31, 2020 has been impacted. 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. 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.
- 10 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 ended December 31, 2020 is not material.
- 11 Other Income for the year ended March 31, 2020 in Consolidated Financial results includes the profit on sale of properties of the Company situated at Kuvempu Nagar, Jayanagar and Belawadi Industrial Area at Mysore. Consequently, major part of the sale proceeds have been utilised towards the repayment of the financial dues to the banks and financial institutions.
- 12 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 30.09.2020. Further, the Company has received the order of Strike off from MCA on 16.11.2020.
- 13 Previous period figures have been regrouped wherever necessary to confirm with the current period presentation.

Place: Bengaluru
Date: February 10, 2021



(Vijay R Kirloskar)
Executive Chairman



K N PRABHASHANKAR & CO.

CHARTERED ACCOUNTANTS

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Bengaluru - 560 027. India

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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, 2020 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 ₹12,059.99 lakhs (₹12,594.77 lakhs as at September 30, 2020) against which provision is recognized for an amount of ₹8,400.77 lakhs as at December 31, 2020. 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 7(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 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 including that of ARCIL for assignment of borrowings from Axis Bank wherein the scheme of repayment is approved by ARCIL and that of 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. We have relied on representations made by the Company and hence we opine that there is no existence of material uncertainty that may cast significant doubt on Company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

7. Emphasis of Matter:

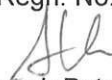
Without modifying our opinion, we invite the attention of the directors to:

- a) Note 8 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 10, 2021



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


A. Umesh Patwardhan
Partner

M. No. 222945
UDIN:21222945AAAAAI8068

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, 2020, 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 7(a) to the unaudited financial results regarding trade receivables/book debts exceeding two years and considered good by the management estimated at ₹2,461 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 7(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 7(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 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 including that of ARCIL for assignment of borrowings from Axis Bank wherein the scheme of repayment is approved by ARCIL and that of 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. We have relied on representations made by the Company and hence we opine that there is no existence of material uncertainty that may cast significant doubt on 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 8 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 ₹(51) lakhs and ₹(207) lakhs for the quarter and nine months ended December 31, 2020 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 10, 2021



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


A. Umesh Patwardhan
Partner

M. No. 222945
UDIN: 21222945AAAAAJ8949