



# KIRLOSKAR ELECTRIC COMPANY LTD.,

Sect./44/2021-22  
November 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: Intimation of Financial Results;**  
**Ref: Compliance with regulation 33 read with schedule III of SEBI (LODR) Regulations, 2015;**

Time of commencement of meeting : 11.30 A.M  
Time of conclusion of meeting : 12.40 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 half year ended September 30, 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**

K S  
Swapna  
Latha  
Digitally signed  
by K S Swapna  
Latha  
Date: 2021.11.10  
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K S Swapna Latha

**Sr. General Manager (Legal) & Company Secretary**

Encl: a/a

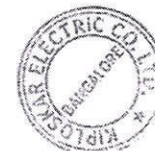
**Regd. Office:** No. 19, 2nd Main Road, Peenya 1st Stage, Phase -1, Peenya, Bengaluru, Karnataka, 560058  
T+91 80 2839 7256, F +91 80 2839 6727; Email Id: investors@kirloskarelectric.com  
Customer care No. : 1800 102 8268, website: www.kirloskarelectric.com  
CIN: L31100KA1946PLC000415



Sl No	Particulars	Standalone						Consolidated					
		Quarter ended		Six Months Ended		Year ended		Quarter ended		Six Months Ended		Year ended	
		September 30, 2021'	June 30, 2021'	September 30, 2020'	September 30, 2021'	September 30, 2020'	March 31, 2021	September 30, 2021'	June 30, 2021'	September 30, 2020'	September 30, 2021'	September 30, 2020'	March 31, 2021'
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	<b>INCOME FROM OPERATIONS:</b>												
I	Revenue from Operations	8,588	6,159	7,044	14,747	11,169	27,758	8,588	6,159	7,044	14,747	11,169	27,758
II	Other income	183	44	68	227	121	361	183	44	74	227	135	770
III	<b>Total Revenue (I+II)</b>	<b>8,771</b>	<b>6,203</b>	<b>7,112</b>	<b>14,974</b>	<b>11,290</b>	<b>28,119</b>	<b>8,771</b>	<b>6,203</b>	<b>7,118</b>	<b>14,974</b>	<b>11,304</b>	<b>28,528</b>
IV	Expenses:												
a	Cost of materials consumed	6,090	5,030	4,475	11,120	7,423	19,219	6,090	5,030	4,475	11,120	7,423	19,219
b	Change in inventories of finished goods, work in progress and stock in trade	334	(302)	543	32	350	904	334	(302)	543	32	350	904
c	Employee benefit expense	1,561	1,443	1,449	3,004	2,899	5,685	1,560	1,443	1,449	3,003	2,899	5,685
d	Finance costs	664	630	718	1,294	1,443	2,809	713	678	771	1,391	1,568	3,005
e	Depreciation and amortisation expenses	130	128	132	258	263	523	130	128	158	258	315	836
f	Other expenses	1,058	860	935	1,918	1,734	9,766	1,068	855	936	1,923	1,727	3,690
	<b>Total expenses</b>	<b>9,837</b>	<b>7,789</b>	<b>8,252</b>	<b>17,626</b>	<b>14,112</b>	<b>38,906</b>	<b>9,895</b>	<b>7,832</b>	<b>8,332</b>	<b>17,727</b>	<b>14,282</b>	<b>33,339</b>
V	Profit / (loss) before exceptional and tax (III-IV)	(1,066)	(1,586)	(1,140)	(2,652)	(2,822)	(10,787)	(1,124)	(1,629)	(1,214)	(2,753)	(2,978)	(4,811)
VI	Exceptional items (net of tax expense)	-	-	-	-	-	-	-	-	-	-	-	-
VII	<b>Profit / (loss) before tax (V-VI)</b>	<b>(1,066)</b>	<b>(1,586)</b>	<b>(1,140)</b>	<b>(2,652)</b>	<b>(2,822)</b>	<b>(10,787)</b>	<b>(1,124)</b>	<b>(1,629)</b>	<b>(1,214)</b>	<b>(2,753)</b>	<b>(2,978)</b>	<b>(4,811)</b>
VIII	Tax expense:												
a	Current Tax	-	-	-	-	-	-	-	-	-	-	-	-
b	Deferred tax	-	-	-	-	-	-	-	-	-	-	-	-
IX	<b>Profit / (loss) after tax (VII-VIII)</b>	<b>(1,066)</b>	<b>(1,586)</b>	<b>(1,140)</b>	<b>(2,652)</b>	<b>(2,822)</b>	<b>(10,787)</b>	<b>(1,124)</b>	<b>(1,629)</b>	<b>(1,214)</b>	<b>(2,753)</b>	<b>(2,978)</b>	<b>(4,811)</b>
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	4	3	-	7	2	24	4	3	-	7	2	24
b)	Revaluation gain on land	-	-	-	-	-	16,522	-	-	-	-	-	16,522
b)	Taxes on above	(1)	(1)	-	(2)	(1)	(3,710)	(1)	(1)	-	(2)	(1)	(3,710)
	<b>Total other comprehensive income</b>	<b>3</b>	<b>2</b>	<b>-</b>	<b>5</b>	<b>1</b>	<b>12,901</b>	<b>3</b>	<b>2</b>	<b>-</b>	<b>5</b>	<b>1</b>	<b>12,901</b>
XI	<b>Total comprehensive income for the period (IX+X)</b>	<b>(1,063)</b>	<b>(1,584)</b>	<b>(1,140)</b>	<b>(2,647)</b>	<b>(2,821)</b>	<b>2,114</b>	<b>(1,121)</b>	<b>(1,627)</b>	<b>(1,214)</b>	<b>(2,748)</b>	<b>(2,977)</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>6,641</b>	<b>6,641</b>
	<b>Other Equity</b>				<b>(2,299)</b>	<b>(4,588)</b>	<b>348</b>						
	<b>Earnings per share(EPS) (face value of Rs. 10/- each)</b>												
a	Basic EPS (not annualised)	(1.61)	(2.39)	(3.09)	(3.99)	(4.24)	(16.24)	(1.69)	(2.45)	(1.83)	(4.15)	(4.48)	(7.24)
b	Diluted EPS (not annualised)	(1.61)	(2.39)	(3.09)	(3.99)	(4.24)	(16.24)	(1.69)	(2.45)	(1.83)	(4.15)	(4.48)	(7.24)
	<b>Paid-up debt capital/outstanding debts</b>												
	Debenture redemption reserve												
	Net worth				(34,141)	(23,611)	(31,494)						
	Fixed asset coverage ratio				2.92	1.83	2.82						
	Debt equity ratio				3.77	8.36	2.43						
	Debt service coverage ratio (DSCR)				(0.77)	(0.77)	(2.65)						
	Interest service coverage ratio (ISCR)				(0.85)	(0.77)	(2.65)						

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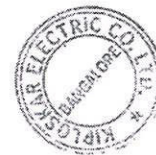
Angus R. Dennis

REVENUES, RESULTS, ASSETS, LIABILITIES AND CAPITAL EMPLOYED FOR THE SEGMENTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2021

(₹ in Lakhs)

SI No	Particulars	Standalone						Consolidated						
		Quarter ended			Six Months Ended			Quarter ended			Six Months Ended			Year ended
		September 30, 2021'	June 30, 2021'	September 30, 2020'	September 30, 2021'	September 30, 2020'	March 31, 2021	September 30, 2021'	June 30, 2021'	September 30, 2020'	September 30, 2021'	September 30, 2020'	March 31, 2021'	
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	
1	Segment Revenues													
	Power generation/ distribution	3,844	2,188	3,284	6,032	4,596	11,500	3,844	2,188	3,284	6,032	4,596	11,500	
	Rotating machines	4,127	3,722	3,601	7,849	6,180	15,390	4,127	3,722	3,601	7,849	6,180	15,390	
	Others	710	272	250	982	492	1,093	710	272	250	982	492	1,093	
	Total	8,681	6,182	7,135	14,863	11,268	27,983	8,681	6,182	7,135	14,863	11,268	27,983	
	Less: Inter segment revenues	93	23	91	116	99	225	93	23	91	116	99	225	
	Revenue from operations	8,588	6,159	7,044	14,747	11,169	27,758	8,588	6,159	7,044	14,747	11,169	27,758	
2	Segment Results													
	Profit / (loss) before interest and tax expense													
	Power generation/ distribution	69	(381)	58	(312)	(189)	66	69	(381)	58	(312)	(189)	66	
	Rotating machines	(127)	(172)	42	(299)	(234)	(59)	(127)	(172)	42	(299)	(234)	(59)	
	Others	318	172	66	490	161	407	318	172	66	490	161	407	
	Total	260	(381)	166	(121)	(262)	414	260	(381)	166	(121)	(262)	414	
	Less: Interest	664	630	718	1,294	1,443	2,809	713	678	771	1,391	1,568	3,005	
	Less: Other unallocable expenditure (net off unallocable Income)	662	575	588	1,237	1,117	8,392	671	570	609	1,241	1,148	2,220	
	Total profit / (loss) before tax expense	(1,066)	(1,586)	(1,140)	(2,652)	(2,822)	(10,787)	(1,124)	(1,629)	(1,214)	(2,753)	(2,978)	(4,811)	
3	Segment Assets													
	Power generation/ distribution	6,568	6,898	8,308	6,568	8,308	7,594	6,568	6,898	8,308	6,568	8,308	7,594	
	Rotating machines	39,391	39,381	23,982	39,391	23,982	39,708	39,391	39,381	23,982	39,391	23,982	39,708	
	Others	8,714	8,563	7,397	8,714	7,397	8,655	8,714	8,563	7,397	8,714	7,397	8,655	
	Total	54,673	54,842	39,687	54,673	39,687	55,957	54,673	54,842	39,687	54,673	39,687	55,957	
	Add Unallocable Assets	8,138	8,019	13,814	8,138	13,814	7,908	6,935	6,817	6,833	6,935	6,833	6,702	
	Total Segment Assets	62,811	62,861	53,501	62,811	53,501	63,865	61,608	61,659	46,520	61,608	46,520	62,659	
4	Segment Liabilities													
	Power generation/ distribution	9,587	9,288	8,955	9,587	8,955	9,054	9,587	9,288	8,955	9,587	8,955	9,054	
	Rotating machines	16,050	15,429	14,086	16,050	14,086	15,018	16,050	15,429	14,086	16,050	14,086	15,018	
	Others	1,111	851	624	1,111	624	667	1,111	851	624	1,111	624	667	
	Total	26,748	25,568	23,665	26,748	23,665	24,739	26,748	25,568	23,665	26,748	23,665	24,739	
	Add Unallocable Liabilities	31,721	31,888	27,783	31,721	27,783	32,137	34,254	34,364	30,568	34,254	30,568	34,566	
	Total Segment Liabilities	58,469	57,456	51,448	58,469	51,448	56,876	61,002	59,932	54,233	61,002	54,233	59,305	
5	Capital Employed (Segment Assets-Segment Liabilities)													
	Power generation/ distribution	(3,018)	(2,390)	(647)	(3,018)	(647)	(1,460)	(3,018)	(2,390)	(647)	(3,018)	(647)	(1,460)	
	Rotating machines	23,342	23,952	9,896	23,342	9,896	24,690	23,342	23,952	9,896	23,342	9,896	24,690	
	Others	7,603	7,712	6,773	7,603	6,773	7,988	7,603	7,712	6,773	7,603	6,773	7,988	
	Total capital employed in segments	27,927	29,274	16,022	27,927	16,022	31,218	27,927	29,274	16,022	27,927	16,022	31,218	
	Add: Unallocated	(23,585)	(23,869)	(13,969)	(23,585)	(13,969)	(24,229)	(27,321)	(27,547)	(23,735)	(27,321)	(23,735)	(27,864)	
	Total capital employed	4,342	5,405	2,053	4,342	2,053	6,989	606	1,727	(7,713)	606	(7,713)	3,354	

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Angay R. Kumar



## STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2021

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	As at September 30, 2021	As at March 31, 2021	As at September 30, 2021	As at March 31, 2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>ASSETS</b>				
<b>Non-current assets</b>				
(a) Property, plant and equipment	47,696	47,910	47,696	47,910
(b) Capital work-in-progress	55	35	55	35
(c) Investment Property	147	147	162	162
(d) Other Intangible assets	20	24	20	24
(e) Financial assets				
(i) Investments	1,034	1,027	165	158
(ii) Trade Receivables	330	435	330	435
(iii) Other financial assets	162	162	162	162
(f) Other non-current assets	2,291	2,272	2,374	2,339
<b>Total Non-current assets</b>	<b>51,735</b>	<b>52,012</b>	<b>50,964</b>	<b>51,225</b>
<b>Current assets</b>				
(a) Inventories	4,041	4,029	4,041	4,029
(b) Financial assets				
(i) Trade receivables	1,830	2,359	4,252	4,785
(ii) Cash and cash equivalents	553	689	624	760
(iii) Other Bank balances	1,014	1,063	1,021	1,070
(c) Other current assets	3,638	3,713	706	790
<b>Total Current assets</b>	<b>11,076</b>	<b>11,853</b>	<b>10,644</b>	<b>11,434</b>
<b>TOTAL ASSETS</b>	<b>62,811</b>	<b>63,865</b>	<b>61,608</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	(2,299)	348	(6,039)	(3,291)
<b>Equity attributable to shareholders of Kirloskar Electric</b>	<b>4,342</b>	<b>6,989</b>	<b>602</b>	<b>3,350</b>
<b>Non-controlling interest</b>	-	-	4	4
<b>TOTAL EQUITY</b>	<b>4,342</b>	<b>6,989</b>	<b>606</b>	<b>3,354</b>
<b>LIABILITIES</b>				
<b>Non-current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	2,195	2,335	2,195	2,335
(ii) Other financial liabilities	603	620	603	620
(b) Provisions	2,718	2,538	2,718	2,538
(c) Deferred tax liabilities (net)	4,746	4,744	4,746	4,744
<b>Total Non current liabilities</b>	<b>10,262</b>	<b>10,237</b>	<b>10,262</b>	<b>10,237</b>
<b>Current liabilities</b>				
(a) Financial liabilities				
(i) Borrowings	12,266	12,374	13,139	13,247
(ii) Trade payables				
(i) micro and small enterprises, and	191	190	191	190
(ii) other than micro and small enterprises	13,785	13,715	13,785	13,718
(iii) Other financial liabilities	5,919	5,660	7,440	7,084
(b) Provisions	3,169	3,017	3,169	3,017
(c) Other current liabilities	12,877	11,667	13,016	11,811
(d) Current tax liabilities (net)	-	16	-	1
<b>Total Current liabilities</b>	<b>48,207</b>	<b>46,639</b>	<b>50,740</b>	<b>49,068</b>
<b>TOTAL EQUITY AND LIABILITIES</b>	<b>62,811</b>	<b>63,865</b>	<b>61,608</b>	<b>62,659</b>



*Arjun R. Chandra*



KIRLOSKAR ELECTRIC COMPANY LIMITED  
CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2021

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	September 30, 2021	March 31, 2021	September 30, 2021	March 31, 2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
<b>Cash flows from operating activities</b>				
Profit / (Loss) before taxation	(2,652)	(10,787)	(2,753)	(4,811)
Adjustments for:				
Depreciation and amortisation	258	523	258	836
Provisions (net)	385	6,570	385	506
(Profit)/loss on sale of fixed assets	-	(4)	-	(397)
Interest income	(27)	(107)	(27)	(124)
Provision for asset held for sale withdrawn	-	-	-	(8)
Finance costs	1,293	2,809	1,390	3,005
	<b>1,909</b>	<b>9,791</b>	<b>2,006</b>	<b>3,818</b>
	<b>(743)</b>	<b>(996)</b>	<b>(747)</b>	<b>(993)</b>
(Increase)/ decrease in trade and other receivables	649	1,563	662	806
(Increase)/ decrease in inventories	(12)	871	(12)	871
Increase/ (decrease) in trade payables and other current liabilities	1,263	2,180	1,255	2,231
	<b>1,900</b>	<b>4,614</b>	<b>1,905</b>	<b>3,908</b>
	<b>1,157</b>	<b>3,618</b>	<b>1,158</b>	<b>2,915</b>
Income taxes paid	22	(81)	22	(76)
<b>Net cash from operating activities</b>	<b>1,135</b>	<b>3,699</b>	<b>1,136</b>	<b>2,991</b>
<b>Cash flows from investing activities</b>				
Purchase of property, plant and equipment	(71)	(247)	(71)	(247)
Proceeds from sale of property, plant and equipment	3	4	3	405
Interest received	29	125	29	144
Increase in margin money and short term deposits	49	(537)	49	253
<b>Net cash from investing activities</b>	<b>10</b>	<b>(655)</b>	<b>10</b>	<b>555</b>
<b>Cash flows from financing activities</b>				
Repayment of long term borrowings	(537)	(1,098)	(537)	(990)
ICD's Accepted	-	366	-	-
ICD's Repaid net	(128)	-	(128)	(94)
Repayment of fixed deposits from public	-	(2)	-	(2)
Increase/ (decrease) of short term borrowings (net)	21	194	20	194
Finance costs	(637)	(2,404)	(637)	(2,505)
<b>Net cash from financing activities</b>	<b>(1,281)</b>	<b>(2,944)</b>	<b>(1,282)</b>	<b>(3,397)</b>
<b>Net increase/(decrease) in cash and cash equivalents</b>	<b>(136)</b>	<b>100</b>	<b>(136)</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	553	689	624	760

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*Angus 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 November 10, 2021.
- 2 The standalone and consolidated financial results of the Company for the quarter ended and six months ended September 30, 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 September 30, 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 ₹11,784.85 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 September 30, 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 September 30, 2021 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.
- 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.



*Nigay R. [Signature]*



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 six months ended September 30, 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 quarter 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 one instalment of ₹2,065 lacs, through sale of asset on or before June 30, 2021. The Company has requested ARCIL for extension of timeline for repayment of balance due till December 31, 2021. As on date of the results, this amount has become overdue. On October 18, 2021, the Company has filed writ petition in the Honourable High Court of Karnataka seeking extension of time till December 31, 2021 for the repayment of overdue amount, since ARCIL has not agreed in principle to extend the due date upto December 31, 2021. The Company is in negotiation for monetisation of property.

14 Details of Secured Redeemable Non-Convertible Debentures - NIL

15 The following have been computed as:

a) Paid up debt capital/outstanding debt= Non Current Borrowing, current portion of long term borrowings and current borrowings.

b) Debt equity ratio= Aggregate of outstanding debts/Equity attributable to shareholders.

c) DSCR= Profit or (Loss) before Depreciation and amortisation expense, finance costs, exceptional items and tax/(Long Term Loan principal repaid+Finance costs-Finance income).

d) ISCR= Profit or (Loss) before Depreciation and amortisation expense, finance costs, exceptional items and tax and finance income/Finance costs.

e) Fixed asset coverage ratio= Revalued Value of Property, Plant & Equipment and Capital Work in Progress / Long Term Loan.

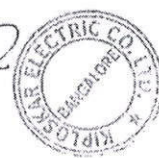
16 Previous period figures have been regrouped wherever necessary to confirm with the current period presentation.

Place: Bengaluru

Date: November 10, 2021



(Vijay R Kirloskar)  
Executive Chairman





**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 six months ended September 30, 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 ₹11,784.85 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 September 30, 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. 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: November 10, 2021



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

A. Umesh Patwardhan  
Partner  
M. No. 222945  
UDIN: 21222945AAAADE4297



**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 six months ended September 30, 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:

- 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 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. 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 ₹(51) lakhs and ₹(101) lakhs for the quarter and six months ended September 30, 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.

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

A. Umesh Patwardhan  
Partner

M. No. 222945  
UDIN: 21222945AAAADF8590

Place: Bengaluru  
Date: November 10, 2021

