KIRLOSKAR ELECTRIC COMPANY LIMITED
CIN:L31100KA1946PLC000415
REGD OFFICE: NO.19 2ND MAIN ROAD, PEENYA 1ST STAGE, PHASE-1, PEENYA, BENGALURU-560 058.
STATEMENT OF UNAUDITED FINANCIAL RESULTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

(₹ in Lakhs)

Sl No	Particulars	Standalone						Consolidated					
		Quarter ended			Six Months Ended		Year ended	Quarter ended			Six Months Ended		Year ended
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022'
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
	INCOME FROM OPERATIONS:												
I	Revenue from operations	11,049	10,226	8,588	21,275	14,747	33,467	11,049	10,226	8,588	21,275	14,747	33,467
II	Other income	965	237	183	1,202	227	10,772	1,582	237	183	1,819	227	11,902
III	**Total income (I+II)**	**12,014**	**10,463**	**8,771**	**22,477**	**14,974**	**44,239**	**12,631**	**10,463**	**8,771**	**23,094**	**14,974**	**45,369**
IV	**Expenses:**												
a	Cost of materials consumed	7,540	7,268	6,090	14,808	11,120	25,588	7,540	7,268	6,090	14,808	11,120	25,588
b	Change in inventories of finished goods, work in progress and stock in trade	(502)	362	334	(140)	32	(858)	(502)	362	334	(140)	32	(858)
c	Employee benefit expenses	1,650	1,560	1,561	3,210	3,004	5,977	1,650	1,560	1,560	3,210	3,003	5,977
d	Finance costs	491	531	664	1,022	1,294	2,880	500	579	713	1,079	1,391	3,073
e	Depreciation and amortisation expenses	125	123	130	248	258	520	125	123	130	248	258	520
f	Other expenses	1,157	1,035	1,058	2,192	1,918	4,316	1,166	1,042	1,068	2,208	1,923	4,330
	Total expenses	**10,461**	**10,879**	**9,837**	**21,340**	**17,626**	**38,423**	**10,479**	**10,934**	**9,895**	**21,413**	**17,727**	**38,630**
V	**Profit / (loss) before tax (III-IV)**	**1,553**	**(416)**	**(1,066)**	**1,137**	**(2,652)**	**5,816**	**2,152**	**(471)**	**(1,124)**	**1,681**	**(2,753)**	**6,739**
VI	Tax expense:												
a	Current Tax	-	-	-	-	-	-	-	-	-	-	-	-
b	Deferred tax	-	-	-	-	-	-	-	-	-	-	-	-
VII	**Profit / (loss) after tax (V-VI)**	**1,553**	**(416)**	**(1,066)**	**1,137**	**(2,652)**	**5,816**	**2,152**	**(471)**	**(1,124)**	**1,681**	**(2,753)**	**6,739**
VIII	**Other comprehensive income**												
	(I) Items that will not be reclassified to profit or loss												
	a) Remeasurements of the defined benefit plans	-	-	-	-	-	15	-	-	-	-	-	15
	b) Taxes on above	-	-	-	-	-	(4)	-	-	-	-	-	(4)
	(ii) Items that may be reclassified to profit or loss												
	a) Mark to Market of Investments	9	(1)	4	8	7	8	9	(1)	4	8	7	8
	b) Revaluation gain on land	-	-	-	-	-	(3,277)	-	-	-	-	-	(3,277)
	b) Taxes on above	(2)	-	(1)	(2)	(2)	767	(2)	-	(1)	(2)	(2)	767
	Total other comprehensive income	**7**	**(1)**	**3**	**6**	**5**	**(2,491)**	**7**	**(1)**	**3**	**6**	**5**	**(2,491)**
IX	**Total comprehensive income for the period (VII+VIII)**	**1,560**	**(417)**	**(1,063)**	**1,143**	**(2,647)**	**3,325**	**2,159**	**(472)**	**(1,121)**	**1,687**	**(2,748)**	**4,248**
	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**
	Earnings per share(EPS) (face value of Rs. 10/- each)												
a	Basic EPS (not annualised)	2.34	(0.63)	(1.61)	1.71	(3.99)	8.76	3.24	(0.71)	(1.69)	2.53	(4.15)	10.15
b	Diluted EPS (not annualised)	2.34	(0.63)	(1.61)	1.71	(3.99)	8.76	3.24	(0.71)	(1.69)	2.53	(4.15)	10.15
	Paid-up debt capital/outstanding debts				-	-	-						
	Debenture redemption reserve				-	-	-						
	Net worth				(24,519)	(34,141)	(25,662)						
	Fixed asset coverage ratio				3.58	2.92	3.31						
	Debt equity ratio				1.07	3.77	1.29						
	Debt service coverage ratio (DSCR)				2.33	(0.77)	1.93						
	Interest service coverage ratio (ISCR)				2.35	(0.85)	3.20						

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

KIRLOSKAR ELECTRIC CO. LTD. BANGALORE

REVENUES, RESULTS, ASSETS, LIABILITIES AND CAPITAL EMPLOYED FOR THE SEGMENTS FOR THE QUARTER AND SIX MONTHS ENDED SEPTEMBER 30, 2022

(₹ in Lakhs)

Sl No	Particulars	Standalone						Consolidated					
		Quarter ended			Year ended			Quarter ended			Six Months Ended		
		September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022	September 30, 2022	June 30, 2022	September 30, 2021	September 30, 2022	September 30, 2021	March 31, 2022'
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited	Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	**Segment Revenues**												
	Power generation/ distribution	4,007	4,354	3,844	8,361	6,032	12,980	4,007	4,354	3,844	8,361	6,032	12,980
	Rotating machines	6,007	5,321	4,127	11,328	7,849	18,594	6,007	5,321	4,127	11,328	7,849	18,594
	Others	1,144	608	710	1,752	982	2,126	1,144	608	710	1,752	982	2,126
	Total	**11,158**	**10,283**	**8,681**	**21,441**	**14,863**	**33,700**	**11,158**	**10,283**	**8,681**	**21,441**	**14,863**	**33,700**
	Less: Inter segment revenues	109	57	93	166	116	233	109	57	93	166	116	233
	Revenue from operations	**11,049**	**10,226**	**8,588**	**21,275**	**14,747**	**33,467**	**11,049**	**10,226**	**8,588**	**21,275**	**14,747**	**33,467**
2	**Segment Results**												
	Profit / (loss) before interest and tax expense												
	Power generation/ distribution	663	(62)	69	601	(312)	(498)	663	(62)	69	601	(312)	(498)
	Rotating machines	1,451	544	(127)	1,995	(299)	424	1,451	544	(127)	1,995	(299)	424
	Others	558	129	318	687	490	853	558	129	318	687	490	853
	Total	**2,672**	**611**	**260**	**3,283**	**(121)**	**779**	**2,672**	**611**	**260**	**3,283**	**(121)**	**779**
	Less: Interest	491	531	664	1,022	1,294	2,880	500	579	713	1,079	1,391	3,073
	Less: Other unallocable expenditure (net off unallocable Income)	628	496	662	1,124	1,237	(7,917)	20	503	671	523	1,241	(9,033)
	Total profit /(loss) before tax expense	**1,553**	**(416)**	**(1,066)**	**1,137**	**(2,652)**	**5,816**	**2,152**	**(471)**	**(1,124)**	**1,681**	**(2,753)**	**6,739**
3	**Segment Assets**												
	Power generation/ distribution	7,226	7,064	6,568	7,226	6,568	7,535	7,226	7,064	6,568	7,226	6,568	7,535
	Rotating machines	37,051	36,580	39,391	37,051	39,391	36,078	37,051	36,580	39,391	37,051	39,391	36,078
	Others	8,913	8,537	8,714	8,913	8,714	8,553	8,913	8,537	8,714	8,913	8,714	8,553
	Total	**53,190**	**52,181**	**54,673**	**53,190**	**54,673**	**52,166**	**53,190**	**52,181**	**54,673**	**53,190**	**54,673**	**52,166**
	Add Unallocable Assets	7,771	8,998	8,138	7,771	8,138	10,544	6,928	7,708	6,935	6,928	6,935	9,332
	Total Segment Assets	**60,961**	**61,179**	**62,811**	**60,961**	**62,811**	**62,710**	**60,118**	**59,889**	**61,608**	**60,118**	**61,608**	**61,498**
4	**Segment Liabilities**												
	Power generation/ distribution	7,743	8,292	9,587	7,743	9,587	11,233	7,743	8,292	9,587	7,743	9,587	11,233
	Rotating machines	11,281	11,596	16,050	11,281	16,050	15,541	11,281	11,596	16,050	11,281	16,050	15,541
	Others	1,600	1,460	1,111	1,600	1,111	788	1,600	1,460	1,111	1,600	1,111	788
	Total	**20,624**	**21,348**	**26,748**	**20,624**	**26,748**	**27,562**	**20,624**	**21,348**	**26,748**	**20,624**	**26,748**	**27,562**
	Add Unallocable Liabilities	28,881	29,935	31,721	28,881	31,721	24,834	30,205	31,412	34,254	30,205	34,254	26,334
	Total Segment Liabilities	**49,505**	**51,283**	**58,469**	**49,505**	**58,469**	**52,396**	**50,829**	**52,760**	**61,002**	**50,829**	**61,002**	**53,896**
5	**Capital Employed (Segment Assets-Segment Liabilities)**												
	Power generation/ distribution	(517)	(1,228)	(3,018)	(517)	(3,018)	(3,698)	(517)	(1,228)	(3,018)	(517)	(3,018)	(3,698)
	Rotating machines	25,770	24,984	23,342	25,770	23,342	20,537	25,770	24,984	23,342	25,770	23,342	20,537
	Others	7,313	7,077	7,603	7,313	7,603	7,765	7,313	7,077	7,603	7,313	7,603	7,765
	Total capital employed in segments	**32,566**	**30,833**	**27,927**	**32,566**	**27,927**	**24,604**	**32,566**	**30,833**	**27,927**	**32,566**	**27,927**	**24,604**
	Add: Unallocated	(21,110)	(20,937)	(23,585)	(21,110)	(23,585)	(14,290)	(23,277)	(23,704)	(27,321)	(23,277)	(27,321)	(17,002)
	Total capital employed	**11,456**	**9,896**	**4,342**	**11,456**	**4,342**	**10,314**	**9,289**	**7,129**	**606**	**9,289**	**606**	**7,602**

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

KIRLOSKAR ELECTRIC CO. LTD. BANGALORE

STATEMENT OF ASSETS AND LIABILITIES AS AT SEPTEMBER 30, 2022

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	As at September 30, 2022	As at March 31, 2022	As at September 30, 2022	As at March 31, 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
ASSETS				
Non-current assets				
(a) Property, plant and equipment	43,975	44,151	42,932	44,151
(b) Capital work-in-progress	82	67	82	67
(c) Investment Property	-	-	5	15
(d) Other Intangible assets	19	19	1,062	19
(e) Financial assets			-	
(i) Investments	1,043	1,035	174	166
(ii) Trade Receivables	456	440	456	440
(iii) Other financial assets	170	170	170	170
(f) Other non-current assets	2,036	2,013	2,117	2,090
Total Non-current assets	**47,781**	**47,895**	**46,998**	**47,118**
Current assets				
(a) Inventories	5,016	4,711	5,016	4,711
(b) Financial assets			-	-
(i) Trade receivables	2,112	1,440	4,508	3,839
(ii) Cash and cash equivalents	1,097	3,671	1,239	3,747
(iii) Other Bank balances	1,224	1,055	1,232	1,063
(c) Other current assets	3,731	3,938	1,125	1,020
Total Current assets	**13,180**	**14,815**	**13,120**	**14,380**
TOTAL ASSETS	**60,961**	**62,710**	**60,118**	**61,498**
EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	6,641	6,641	6,641	6,641
(b) Other equity	4,815	3,673	2,644	957
Equity attributable to shareholders of Kirloskar Electric	11,456	10,314	9,285	7,598
Non-controlling interest	-	-	4	4
TOTAL EQUITY	**11,456**	**10,314**	**9,289**	**7,602**
LIABILITIES				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	-	-	-	-
(ii) Other financial liabilities	586	605	586	605
(b) Provisions	2,828	2,727	2,828	2,727
(c) Deferred tax liabilities (net)	3,983	3,981	3,983	3,981
Total Non current liabilities	**7,397**	**7,313**	**7,397**	**7,313**
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	12,291	13,341	13,163	14,214
(ii) Trade payables			-	-
(i) micro and small enterprises, and	579	579	579	579
(ii) other than micro and small enterprises	14,330	14,833	14,330	14,833
(iii) Other financial liabilities	298	170	674	647
(b) Provisions	3,322	3,211	3,322	3,211
(c) Other current liabilities	11,288	12,949	11,364	13,099
(d) Current tax liabilities (net)	-	-	-	-
Total Current liabilities	**42,108**	**45,083**	**43,432**	**46,583**
TOTAL EQUITY AND LIABILITIES	**60,961**	**62,710**	**60,118**	**61,498**

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

KIRLOSKAR ELECTRIC CO. LTD. BANGALORE

KIRLOSKAR ELECTRIC COMPANY LIMITED
CASH FLOW STATEMENT FOR THE SIX MONTHS ENDED SEPTEMBER 30, 2022

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	September 30, 2022	March 31, 2022	September 30, 2022	March 31, 2022
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
Cash flows from operating activities				
Profit / (loss) before taxation	1,137	5,816	1,681	6,739
Adjustments for:				
Depreciation and amortisation	248	520	248	520
Provisons (net)	337	609	337	610
(Profit)/loss on sale of fixed assets	(6)	(3,485)	(465)	(3,485)
Interest income	(36)	(73)	(36)	(73)
(Profit)/loss on sale of investment property	-	(6,633)	-	(6,633)
Finance costs	1,022	2,880	1,079	3,073
	1,565	**(6,182)**	**1,163**	**(5,988)**
	2,702	**(366)**	**2,844**	**751**
(Increase)/ decrease in trade and other receivables	(578)	810	(887)	832
(Increase)/ decrease in inventories	(305)	(682)	(305)	(682)
Increase/ (decrease) in trade payables and other current liabilities	(2,182)	2,774	(2,198)	2,777
	(3,065)	**2,902**	**(3,390)**	**2,927**
	(363)	**2,536**	**(546)**	**3,678**
Income taxes paid	32	127	37	122
Net cash from operating activities	**(395)**	**2,409**	**(583)**	**3,556**
Cash flows from investing activities				
Purchase of property, plant and equipment	(100)	(65)	(99)	3,212
Proceeds from sale of property, plant and equipment	5	3,526	465	249
Proceeds from sale of investment property	-	6,780	10	6,780
Interest received	31	70	31	70
Increase in margin money and short term deposits	(169)	-	(169)	-
Net cash from investing activities	**(233)**	**10,311**	**238**	**10,311**
Cash flows from financing activities				
Repayment of long term borrowings	-	(4,142)	-	(4,142)
ICD's Accepted	-	1,082		1,082
ICD's Repaid net	(321)	(2,766)	(321)	(2,766)
Repayment of fixed deposits from public	(3)	(7)	(3)	(7)
Increase/ (decrease) of short term borrowings (net)	(727)	2,169	(727)	2,168
Finance costs	(895)	(6,074)	(1,053)	(7,215)
Net cash from financing activities	**(1,946)**	**(9,738)**	**(2,104)**	**(10,880)**
Net increase/(decrease) in cash and cash equivalents	**(2,574)**	**2,982**	**(2,449)**	**2,987**
Cash and cash equivalents at beginning of the year	**3,671**	**689**	**3,688**	**760**
Cash and cash equivalents at end of the year	**1,097**	**3,671**	**1,239**	**3,747**

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

KIRLOSKAR ELECTRIC CO. LTD. BANGALORE

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 October 29, 2022.

2 The standalone and consolidated financial results of the Company for the quarter and six months ended September 30, 2022 have been subject to limited review by its Statutory auditors.

3 The Company has prepared these Standalone and Consolidated financial results in accordance with Companies (Indian Accounting Standard) Rules, 2015 as amended as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the relevant rules issued thereunder as amended and the other accounting principles generally accepted in India.

4 As a measure of restructuring and with the consent of Lead Bank and other Lender banks under the Joint Lender Forum (JLF) mechanism, the Company had transferred in the year ended March 31, 2015 certain assets comprising of immovable properties, receivables and inventory to its subsidiaries - Kelbuzz Trading Private Limited, SKG Terra Promenade Private Limited and SLPKG Estate Holdings Private Limited, which will function as special purpose vehicles to hold such assets, dispose off the same and pay off certain debts (bank dues) transferred by the Company. The amounts outstanding and due from the subsidiaries as at September 30, 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 ₹11,430.08 lakhs (₹11,762.42 lakhs as at March 31, 2022) 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 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, 2022 (₹8,400.77 lakhs provided upto March 31, 2022).

5 In case of Consolidated unaudited financial results - Confirmation of balances from customers are awaited in certain cases. Accounts with certain parties are under review and reconciliation. Provision has been made to the extent required and further adjustments if any, will be made on completion of review/reconciliation. The debts exceeding two years and considered good of recovery by the management is estimated at ₹ 2,429 lakhs.

6 The net worth (after excluding revaluation reserve) of the group in terms of the consolidated financial statement as at September 30, 2022 consisting of the Company, its subsidiaries and its associate is eroded. The company has repaid all term loans including Asset Restructuring Company Limited (ARCIL) which were restructured under JLF mechanism. Also the company is in advance stage of negotiation for monetization/disposal of assets which will improve the working capital and in turn improve the performance in the forthcoming periods. The company is confident that this funding will have a positive impact on the performance and net worth. Accordingly your directors have prepared these financial results of the company on the basis that it is a going concern and that no adjustments are considered necessary to the carrying value of assets and liabilities.

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.

K.N. PRABHASHANKAR & CO. ★ BENGALURU ★ CHARTERED ACCOUNTANTS

KIRLOSKAR ELECTRIC CO. LTD. ★ BANGALORE ★

8 Other income for the year ended March 31, 2022 includes ₹9,819.65 lakhs profit on sale of 29.5 acres of land of the Company situated at Hubbali and ₹297.86 lakhs profit on sale of non core asset situated at Hyderabad. Consequently, major part of the sale proceeds have been utilised towards the repayment of the financial dues to the financial institutions and balance towards working capital.

9 Other Income for the quarter and six months ended September 30, 2022 in Consolidated Financial results includes ₹467.16 lakhs profit on sale of properties of the Company situated at Nehru place, Delhi. Consequently, major part of the sale proceeds have been utilised towards the repayment of the financial dues to the financial institutions.

10 The outstanding loan of Union Bank of India has been paid and settled as per the mutual consent. The necessary effect has been given in the books on September 30, 2022 and the final payment was made and settled on October 01, 2022.

11 On October 03, 2022, the Company has entered into an Agreement to Sell, its immovable property, situated at Gokul Road, Hubbali admeasuring 31 Acres 24 Guntas for a consideration of ₹9,512 lakhs, on such terms and conditions as set out in the Agreement to sell. The sale is expected to be completed on or before March 31, 2023 or any other extended date, as agreed between the parties.

12 Details of Secured Redeemable Non-Convertible Debentures - NIL

13 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.

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

KIRLOSKAR ELECTRIC CO. LTD. BANGALORE

Place: Bengaluru
Date: October 29, 2022

(Vijay R Kirloskar)
Executive Chairman

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

K.N. PRABHASHANKAR & CO.

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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 six months ended September 30, 2022 attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulation") read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("the Circular").

2. This Statement, which is the responsibility of the company's management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (Ind AS 34) - Interim Financial Reporting, prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder as applicable and other accounting principles generally accepted in India, read with the Circular. Our responsibility is to express an opinion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

4. **Basis of Qualified Opinion:**
Attention of the Directors is invited to note 4 to the unaudited financial results regarding the amounts due to the Company from certain subsidiaries towards part consideration receivable on sale/assignment of certain immovable properties, receivables, interest charged and expenses reimbursed. The amounts due from the said subsidiaries aggregates to ₹11,430.08 lakhs (₹11,762.42 lakhs as at March 31, 2022). Pending disposals/realization of assets by the subsidiaries, relying on the Management Representation, provision of ₹ 8,400.77 lakhs as at September 30, 2022 is recognized. Any shortfall in the realization of the amount outstanding (net of provision), if any, could not be ascertained.

5. Based on our review conducted and procedures performed as per paragraph 3 above except for the effects in respect of the matter stated in the paragraph on "Basis of Qualified Opinion" and read with note 4 to the unaudited financial results, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited standalone financial results prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

6. **Key Audit Matters:**

a) Note 6 of the unaudited financial results - The directors have detailed the reasons for preparing these unaudited financial results on a going concern basis, though the Company/Group (consisting of the Company, its subsidiaries and associate) has accumulated losses and their net worth (after excluding Revaluation Reserve) is eroded. There are certain overdue payments to creditors. During the previous year ended March 31, 2022, the Company has repaid all the term loans including the loan assigned to Asset Reconstruction Company India Limited (ARCIL) which was restructured under JLF mechanism.

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

7. **Emphasis of Matter:**

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

b) Note 7 of the unaudited financial results, which states that the Company has filed Special Leave Petition in respect of demands of resale tax penalty of ₹527 lakhs before the honorable Supreme Court of India. The Management has represented to us that it is not probable that there will be an outflow of economic benefits and hence no provision is required to be recognized in this regard. We have relied on this representation. Our opinion is not modified in respect of this matter.

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

K.N. PRABHASHANKAR & CO. * BENGALURU * CHARTERED ACCOUNTANTS

A.Umesh Patwardhan
Partner
M. No. 222945
UDIN: 22222945BBFOIU5336

Place: Bengaluru
Date: October 29, 2022

K.N. PRABHASHANKAR & CO.

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

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

1. We have reviewed the accompanying Statement of Unaudited Consolidated financial results of Kirloskar Electric Company Limited ("the Parent") and its subsidiaries and associates (the Parent and its subsidiaries and associates collectively referred as "Group"), and its share of net profit after tax and total comprehensive income for the quarter and six month ended September 30, 2022, attached herewith, being submitted by the Parent pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Regulation") read with SEBI Circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("the Circular").

2. This Statement, which is the responsibility of the Parent's management and approved by the Parent's Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (Ind AS 34) - Interim Financial Reporting, prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder as applicable and other accounting principles generally accepted in India, read with the Circular. Our responsibility is to express an opinion on the Statement based on our review.

3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. We have not performed an audit and accordingly, we do not express an audit opinion.

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

4. **Basis of Qualified Opinion:**

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

K.N. PRABHASHANKAR & CO. * BENGALURU * CHARTERED ACCOUNTANTS

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

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

6. Based on our review conducted and procedures performed as stated in paragraph 3 above except for the effects in respect of the matter stated in the paragraph on "Basis of Qualified Opinion" and read with note 5 to the unaudited financial results, nothing has come to our attention that causes us to believe that the accompanying statement of unaudited consolidated financial results prepared in accordance with the recognition and measurement principles laid down in the applicable Indian Accounting Standards ('Ind AS') specified under Section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognised accounting practices and policies has not disclosed the information required to be disclosed in terms of the Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

7. Key Audit Matters:

a) Note 6 of the unaudited financial results - The directors have detailed the reasons for preparing these unaudited financial results on a going concern basis, though the Company/Group (consisting of the Company, its subsidiaries and associate) has accumulated losses and their net worth (after excluding Revaluation Reserve) is eroded. There are certain overdue payments to creditors. During the previous year ended March 31, 2022, the Company has repaid all the term loans including the loan assigned to Asset Reconstruction Company India Limited (ARCIL) which was restructured under JLF mechanism.

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

8. Emphasis of Matter:

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

a) Note 7 of the unaudited financial results, which states that the Company has filed Special Leave Petition in respect of demands of resale tax penalty of ₹527 lakhs before the honorable Supreme Court of India. The Management has represented to us that it is not probable that there will be an outflow of economic benefits and hence no provision is required to be recognized in this regard. We have relied on this representation. Our opinion is not modified in respect of this matter.

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

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 4 subsidiaries which have not been reviewed by their auditors, whose interim financial results reflect total revenues/other Income of ₹157.94 lakhs, total net profit after tax and total comprehensive income of ₹77.47 lakhs for the quarter and six months ended September 30, 2022 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 Prabhashankar & Co.
Chartered Accountants
Firm Regn. No. 004982S

K.N. PRABHASHANKAR & CO. BENGALURU CHARTERED ACCOUNTANTS

A.Umesh Patwardhan
Partner
M. No. 222945
UDIN: 22222945BBFPCV6625

Place: Bengaluru
Date: October 29, 2022