



KIRLOSKAR ELECTRIC COMPANY LTD.,

Sect./13/2020-21

June 27, 2020

To,
The Secretary,

v 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

~~BSE LTD.,~~

~~Stock Exchange Towers,
Floor 25, PJ Towers, Dalal Street,
Mumbai – 400 051
Scrip Code 533193
Scrip ID KIRELECT~~

Dear Sir,

Sub: Outcome of the Board meeting;

Ref: Regulation 30(4) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended from time to time);

Time of commencement of meeting : 12.00 Noon
Time of conclusion of meeting : 01.40 PM

Pursuant to regulation under reference, the following decisions were taken at the meeting of the Board of Directors of the company held today through Video Conference:

1. The Ind AS compliant annual audited financial results together with consolidated financial results of the Company for the quarter and year ended March 31, 2020 as been approved by the Board of Directors at its meeting held today and signed by Mr. Vijay Ravindra Kirloskar, Executive Chairman of the Company. The financial results together with audit report and statement on impact of audit qualifications are also enclosed.
2. The term of Executive Chairman of the Company is expiring on August 11, 2020, therefore subject to the approval of the shareholders of the Company, Mr. Vijay Ravindra Kirloskar (DIN: 00031253), has been reappointed as Executive Chairman of the Company for a period of three (3) years effective from August 12, 2020.

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



KIRLOSKAR ELECTRIC COMPANY LTD.,

Brief Profile:

Mr. Vijay R Kirloskar is MS in Management Science and Engineering from Worcester Polytechnic Institute, Worcester, MA, USA. He joined the services of the company in the year 1978 as Manager-Production. Later in the year 1982 he was appointed as President. He took up the office of Managing Director of the company w.e.f. 17th August, 1985. He has held various important positions within the industry. He was the Vice President of CII for the year 1998. His education and experience makes him suitable to the office. He is in-charge of the overall management of the Company. Mr. Vijay R Kirloskar is having a wide contact with the industries peers, which is resulting in availing ample number of opportunities like new customers, significant order booking, new contacts, new technology agreements. Mr. Vijay R Kirloskar, being the promoter and experienced senior managerial personnel of the Company is playing a major role in the conduct of the overall business operations of the Company. He has been playing a significant role in the conduct of the overall business affairs of the company.

Mr. Vijay R. Kirloskar is the promoter and is not related to any director except Mrs. Meena Kirloskar, director, who is the spouse of Mr. Vijay R Kirloskar.

3. The term of Dr. Ashok Misra (DIN: 00006051) as an Independent Director will be expiring on September 30, 2020. Subject to the approval of members of the Company, Dr. Ashok Misra (DIN: 00006051) has been reappointed as an independent director for a second consecutive term of five consecutive years.

Brief Profile:

Prof. Ashok Misra is currently NASI Distinguished as Professor at the Indian Institute of Science, Bangalore. Earlier he was Chairman-India of Intellectual Ventures from 2008-16; Director of IIT Bombay from 2000-08; at IIT Delhi from 1977-2000 and at Monsanto Chemical Co. from 1974-77. He is Adjunct Professor at the Univ. of Massachusetts and was a Visiting Fellow, Trinity College and University of Cambridge. He obtained his B.Tech from IIT Kanpur, M.S. from Tufts University and Ph.D. from the University of Massachusetts. He was conferred the Doctor of Science by Thapar University, Patiala. He has held several responsibilities with MHRD, Govt. of India including Chairman, Standing Committee of the IIT Council from 2015-17; Chairman, Board of Governors, IIT Roorkee; Chairman 2014-17; Chairman, Joint Entrance Examination (JEE) Apex Board from 2012-15 and Member Board of Governors, IIT Delhi from 2012-16. Prof. Misra is a Fellow of National Academy of Sciences India (NASI) and was its President from 2006-08; a Fellow of the Indian National Academy of Engineering (INAE). He is the founder President of the Polymer Processing Academy; former President of the Society of Polymer Science, India and founder President of the IIT Alumni Centre, Bengaluru.

He has received several awards including: Distinguished Service Award, IIT Delhi; Distinguished Alumnus Awards from all his Alma Maters – University of Massachusetts, IIT Kanpur and Tufts University; Distinguished Service Award, Polymer Processing Society; Indian Chemical Council Lifetime Achievement Award for Education & Research; National Systems Gold Medal; Qimpro Platinum Standard Award (Education); Bhatnagar Memorial Award at 94th Indian Science Congress; Chemtech CEW Awards



KIRLOSKAR ELECTRIC COMPANY LTD.,

(Education) and Acharya Prafulla Chandra Ray Memorial Award of Indian Chemical Soc. He has guided 22 doctoral students, co-authored a book, has 16 patents and over 182 international publications.

4. Subject to approval of members of the Company, Mr. Ravi Ghai (DIN: 08715119) has been appointed as 'Nominee Director' on the Board of Directors of the Company, nominated by Asset Reconstruction Company Limited (ARCIL) subject to confirmation at the Annual General Meeting

Brief Profile:

Mr. Ravi Ghai is a Mechanical Engineer from IIT – Kharagpur and a Post Graduate in Industrial Engineering from NITIE, Mumbai (1974). He is a retired bank executive with over three decades of experience in corporate banking, risk compliance and credit appraisal. He commenced his career in 1974 at State bank of India where he handled diverse investment banking assignments, mainly loan syndications and IPOs for 6 years. The following 15 years he worked at ANZ Grindlays Bank – across India and overseas in the fields of corporate credit, risks management and finance training. In 1999 he joined Oman International Bank as country Manager, India with a challenging mandate focusing on cleanup of a very weak corporate loans portfolio. He rounded off his career with a senior role in Credit Risk Review function at Arab National Bank, Riyadh where he was responsible for risk compliance and credit audit relating to large corporate portfolio. Notable achievements in his career include two instances of identification of frauds aimed at hiding losses, both undetected by Auditors. Post retirement, Mr. Ghai has handled diverse assignments as a trainer / consultant in finance & soft skills. He also coaches and mentors young adults in performing arts & communication skills, on behalf of the Times of India, and privately.

5. The Joint Venture between Electrodrive Powertrain Solutions Private Limited and Company entered on 24th October 2019 has been put on hold.

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
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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

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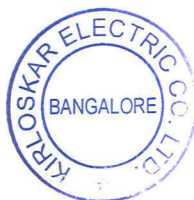
REGD OFFICE: NO.19 2ND MAIN ROAD, PEENYA 1ST STAGE, PHASE-1, PEENYA, BENGALURU-560 058.

STATEMENT OF AUDITED FINANCIAL RESULTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020



(₹ in Lakhs)

Sl No	Particulars	Standalone					Consolidated				
		Quarter ended		Year ended			Quarter ended		Year ended		
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		Audited	Unaudited	Audited	Audited	Audited	Audited	Unaudited	Audited	Audited	Audited
I	INCOME FROM OPERATIONS:										
II	Revenue from Operations	8,161	8,347	7,741	31,441	29,442	8,161	8,347	7,741	31,441	29,461
III	Other income	85	158	5,798	428	6,217	88	6,682	5,798	8,508	6,217
	Total Revenue (I+II)	8,246	8,505	13,539	31,869	35,659	8,249	15,029	13,539	39,949	35,678
IV	Expenses:										
a	Cost of materials consumed	5,851	4,867	4,694	21,435	21,460	5,851.00	4,867	4,694	21,435	21,460
b	Change in inventories of finished goods, work in progress and stock in trade	(417)	676	942	(229)	567	(417)	676	942	(229)	567
c	Employee benefit expense	1,460	1,661	1,276	6,295	6,119	1,460	1,661	1,276	6,295	6,119
d	Finance costs	770	913	1,158	3,432	3,843	828	1,133	1,439	4,267	4,877
e	Depreciation and amortisation expenses	140	138	190	556	772	165	164	216	660	876
f	Other expenses	1,096	6,502	1,093	9,450	4,761	1,038	1,063	1,212	3,972	4,920
	Total expenses	8,900	14,757	9,353	40,939	37,522	8,925	9,564	9,779	36,400	38,819
V	Profit / (loss) before exceptional and tax (III-IV)	(654)	(6,252)	4,186	(9,070)	(1,863)	(676)	5,465	3,760	3,549	(3,141)
VI	Exceptional items (net of tax expense)	-	-	-	471	-	-	-	346	982	346
VII	Profit / (loss) before tax (V-VI)	(654)	(6,252)	4,186	(8,599)	(1,863)	(676)	5,465	4,106	4,531	(2,795)
VIII	Tax expense:										
a	Current Tax	-	-	-	-	-	-	-	-	-	-
b	Deferred tax	-	-	-	-	-	-	-	-	-	-
IX	Profit / (loss) after tax (VII-VIII)	(654)	(6,252)	4,186	(8,599)	(1,863)	(676)	5,465	4,106	4,531	(2,795)
X	Other comprehensive income										
	(i) Items that will not be reclassified to profit or loss										
a	Remeasurements of the defined benefit plans	(165)	-	98	(165)	98	(165)	-	98	(165)	98
b	Taxes on above	46	-	(30)	46	(30)	46	-	(30)	46	(30)
	(ii) Items that may be reclassified to profit or loss										
a	Mark to Market of Investments	2	6	-	10	6	2	6	-	10	6
b	Revaluation gain on land	-	-	(6,895)	-	(6,895)	-	-	(6,895)	-	(6,895)
c	Taxes on above	(1)	(1)	1,953	(3)	1,951	(1)	(1)	1,953	(3)	1,951
	Total other comprehensive income	(118)	5	(4,874)	(112)	(4,870)	(118)	5	(4,874)	(112)	(4,870)
XI	Total comprehensive income for the period (IX+X)	(772)	(6,247)	(688)	(8,711)	(6,733)	(794)	5,470	(768)	4,419	(7,665)
	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
	Other Equity				(1,767)	6,944					
	Earnings per share(EPS) (face value of Rs. 10/- each)										
a	Basic EPS (not annualised)	(3.09)	(9.41)	6.30	(12.94)	(2.81)	(1.02)	8.23	6.18	6.82	(4.21)
b	Diluted EPS (not annualised)	(3.09)	(9.41)	6.30	(12.94)	(2.81)	(1.02)	8.23	6.18	6.82	(4.21)
	Paid-up debt capital/outstanding debts				-	-					
	Debt service coverage ratio (DSCR)				(20,790)	(12,079)					
	Fixed asset coverage ratio				1.81	1.58					
	Debt equity ratio				3.60	1.50					
	Interest service coverage ratio (ISCR)				(1.30)	0.43					
					(1.48)	0.72					



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REVENUES, RESULTS, ASSETS, LIABILITIES AND CAPITAL EMPLOYED FOR THE SEGMENTS FOR THE QUARTER AND YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

Sl No	Particulars	Standalone					Consolidated				
		Quarter ended			Year ended	Year ended	Quarter ended			Year ended	Year ended
		March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019	March 31, 2020	December 31, 2019	March 31, 2019	March 31, 2020	March 31, 2019
		Audited	Unaudited	Audited	Audited	Audited	Audited	Unaudited	Audited	Audited	Audited
1	Segment Revenues										
	Power generation/ distribution	2,722	3,388	2,625	11,075	9,415	2,722	3,388	2,625	11,075	9,415
	Rotating machines	5,176	4,848	5,004	19,743	19,498	5,176	4,848	5,004	19,743	19,517
	Others	357	185	193	965	822	357	185	193	965	822
	Total	8,255	8,421	7,822	31,783	29,735	8,255	8,421	7,822	31,783	29,754
	Less: Inter segment revenues	94	74	81	342	293	94	74	81	342	293
	Revenue from operations	8,161	8,347	7,741	31,441	29,442	8,161	8,347	7,741	31,441	29,461
2	Segment Results										
	Profit / (loss) before interest and tax expense										
	Power generation/ distribution	52	398	(212)	868	(669)	52	398	(212)	868	(669)
	Rotating machines	563	344	199	1,274	(607)	563	344	199	1,274	(588)
	Others	104	65	98	301	313	104	65	98	301	313
	Total	719	807	85	2,443	(963)	719	807	85	2,443	(944)
	Less: Interest	770	913	1,158	3,432	3,843	828	1,133	1,439	4,267	4,877
	Less: Other unallocable expenditure (net off unallocable income)	603	6,146	(5,259)	7,610	(2,943)	567	(5,791)	(5,460)	(6,355)	(3,026)
	Total profit /(loss) before tax expense	(654)	(6,252)	4,186	(8,599)	(1,863)	(676)	5,465	4,106	4,531	(2,795)
3	Segment Assets										
	Power generation/ distribution	9,199	9,189	8,393	9,199	8,393	9,199	9,189	8,393	9,199	8,393
	Rotating machines	24,962	25,439	25,573	24,962	25,573	24,962	25,439	25,573	24,962	25,573
	Others	7,550	6,975	7,037	7,550	7,037	7,550	6,975	7,037	7,550	7,037
	Total	41,711	41,603	41,003	41,711	41,003	41,711	41,603	41,003	41,711	41,003
	Add Unallocable Assets	13,870	13,755	22,101	13,870	22,101	6,911	8,367	6,692	6,911	6,692
	Total Segment Assets	55,581	55,358	63,104	55,581	63,104	48,622	49,970	47,695	48,622	47,695
4	Segment Liabilities										
	Power generation/ distribution	8,289	9,544	7,829	8,289	7,829	8,289	9,544	7,829	8,289	7,829
	Rotating machines	12,875	14,041	13,214	12,875	13,214	12,875	14,041	13,214	12,875	13,214
	Others	780	786	798	780	798	780	786	798	780	798
	Total	21,944	24,371	21,841	21,944	21,841	21,944	24,371	21,841	21,944	21,841
	Add Unallocable Liabilities	28,763	25,341	27,678	28,763	27,678	31,415	29,537	35,011	31,415	35,011
	Total Segment Liabilities	50,707	49,712	49,519	50,707	49,519	53,359	53,908	56,852	53,359	56,852
5	Capital Employed (Segment Assets-Segment Liabilities)										
	Power generation/ distribution	910	(355)	564	910	564	910	(355)	564	910	564
	Rotating machines	12,087	11,398	12,360	12,087	12,360	12,087	11,398	12,360	12,087	12,360
	Others	6,770	6,189	6,239	6,770	6,239	6,770	6,189	6,239	6,770	6,239
	Total capital employed in segments	19,767	17,232	19,163	19,767	19,163	19,767	17,232	19,163	19,767	19,163
	Add: Unallocated	(14,893)	(11,586)	(5,578)	(14,893)	(5,578)	(24,504)	(21,170)	(28,320)	(24,504)	(28,320)
	Total capital employed	4,874	5,646	13,585	4,874	13,585	(4,737)	(3,938)	(9,157)	(4,737)	(9,157)



STATEMENT OF ASSETS AND LIABILITIES AS AT MARCH 31, 2020

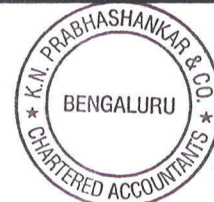
(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	As at March	As at March	As at March	As at March
	31, 2020	31, 2019	31, 2020	31, 2019
	(Audited)	(Audited)	(Audited)	(Audited)
ASSETS				
Non-current assets				
(a) Property, plant and equipment	31,694	32,144	31,694	32,144
(b) Capital work-in-progress	20	20	20	20
(c) Investment Property	147	147	162	176
(d) Other Intangible assets	4	6	317	423
(e) Financial assets			-	
(i) Investments	7,067	7,059	134	124
(ii) Trade Receivables	535	547	535	547
(iii) Other financial assets	172	110	173	110
(f) Other non-current assets	2,372	2,661	2,449	2,667
Total Non-current assets	42,011	42,694	35,484	36,211
Current assets				
(a) Inventories	4,900	4,681	4,900	4,681
(b) Financial assets			-	
(i) Trade receivables	3,025	1,709	5,466	4,257
(ii) Cash and cash equivalents	589	925	611	962
(iii) Other Bank balances	515	600	1,312	601
(c) Other current assets	4,541	12,495	849	983
Total Current assets	13,570	20,410	13,138	11,484
TOTAL ASSETS	55,581	63,104	48,622	47,695
EQUITY AND LIABILITIES				
Shareholders' funds				
(a) Share capital	6,641	6,641	6,641	6,641
(b) Other equity	(1,767)	6,944	(11,382)	(15,802)
Equity attributable to shareholders of Kirloskar Electric Company Limited	4,874	13,585	(4,741)	(9,161)
Non-controlling interest	-	-	4	4
TOTAL EQUITY	4,874	13,585	(4,737)	(9,157)
LIABILITIES				
Non-current liabilities				
(a) Financial liabilities				
(i) Borrowings	4,484	9,063	4,484	7,225
(ii) Other financial liabilities	1,377	900	1,377	900
(b) Provisions	2,374	1,962	2,374	1,962
(c) Deferred tax liabilities (net)	1,009	1,052	1,009	1,052
Total Non current liabilities	9,244	12,977	9,244	11,139
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	11,813	10,323	12,696	11,646
(ii) Trade payables			-	
(i) micro and small enterprises, and	800	2,427	800	2,427
(ii) other than micro and small enterprises	11,739	9,636	11,740	9,639
(iii) Other financial liabilities	4,206	2,826	5,878	10,601
(b) Provisions	2,808	2,673	2,808	2,674
(c) Other current liabilities	10,096	8,656	10,192	8,725
(d) Current tax liabilities (net)	1	1	1	1
Total Current liabilities	41,463	36,542	44,115	45,713
TOTAL EQUITY AND LIABILITIES	55,581	63,104	48,622	47,695



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KIRLOSKAR ELECTRIC COMPANY LIMITED
CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2020

(₹ in Lakhs)

Particulars	Standalone		Consolidated	
	March 31, 2020	March 31, 2019	March 31, 2020	March 31, 2019
Cash flows from operating activities				
Profit / (Loss) before taxation	(8,598)	(1,862)	4,532	(2,794)
Adjustments for:				
Depreciation and amortisation	556	772	660	876
Provisions (net)	5,616	564	136	564
(Profit)/loss on sale of fixed assets	7	(5,748)	(7,668)	(5,748)
Interest income	(61)	(58)	(64)	(58)
(Profit)/loss on sale of assets held for sale	-	27	-	28
Finance costs	3,432	3,843	4,267	4,877
	9,550	(600)	(2,669)	539
	952	(2,462)	1,863	(2,255)
(Increase)/ decrease in trade and other receivables	1,684	3,493	(547)	4,201
(Increase)/ decrease in inventories	(278)	792	(278)	792
Increase/ (decrease) in trade payables and other current liabilities	2,277	(2,424)	2,302	(2,532)
	3,683	1,861	1,477	2,461
	4,635	(601)	3,340	206
Income taxes paid	(177)	71	(107)	72
Net cash from operating activities	4,812	(672)	3,447	134
Cash flows from investing activities				
Purchase of property, plant and equipment	(124)	(72)	(124)	(72)
Proceeds from sale of property, plant and equipment	8	5,859	7,684	5,859
Advance received for sale of asset	-	-	13	-
Purchase/ revaluation of investments	2	-	-	-
Interest received	84	30	84	30
Increase in margin money and short term deposits	23	433	(774)	432
Dividend received	-	-	-	-
Net cash from investing activities	(7)	6,250	6,883	6,249
Cash flows from financing activities				
Proceeds from long term borrowings	-	3,331	(8,911)	1,943
Repayment of long term borrowings	(4,333)	-	-	-
ICD's Accepted	3,700	429	4,559	1,752
ICD's Repaid net	(372)	(375)	(1,672)	(375)
Repayment of fixed deposits from public	(12)	(121)	(12)	(571)
Increase/ (decrease) of short term borrowings (net)	(1,837)	(6,983)	(1,837)	(6,983)
Finance costs	(2,287)	(2,088)	(2,808)	(2,381)
Net cash from financing activities	(5,141)	(5,807)	(10,681)	(6,615)
Net increase/(decrease) in cash and cash equivalents	(336)	(229)	(351)	(232)
Cash and cash equivalents at beginning of the year	925	1,154	962	1,194
Cash and cash equivalents at end of the year	589	925	611	962

 KIRLOSKAR ELECTRIC COMPANY LIMITED
BANGALORE

 K.N. PRABHASHANKAR & CO.
BENGALURU
CHARTERED ACCOUNTANTS

Notes:

- 1 The above audited standalone and consolidated financial results have been reviewed by the Audit Committee and approved by the Board of Directors in their meeting held on June 27, 2020.
- 2 The standalone and consolidated financial results of the Company for the quarter and year ended March 31, 2020 have been audited by its Statutory auditors.
- 3 The Company has prepared these Standalone and Consolidated financial results in accordance with Companies (Indian Accounting Standard) Rules, 2015 as amended as prescribed under Section 133 of the Companies Act, 2013 ("the Act") read with the relevant rules issued thereunder as amended and the other accounting principles generally accepted in India.
- 4 The format for Standalone and Consolidated results as prescribed in SEBI's circular CIR/CFD/CMD/15/2015 dated November 30, 2015 has been modified to comply with the requirements of SEBI's circular dated July 05, 2016 read with SEBI Circular No.CIR/CFD/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 March 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 ₹12,531.50 lakhs (₹14,898.79 lakhs as at March 31, 2019) 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 quarter ended December 31, 2019, the Company has sold major portion of the Saleable properties held by its Subsidiaries at Mysore and further as on the date of results, the Company was in advance stage of discussion for monetization of other properties of its Subsidiaries. The Board of Directors are confident of recovering all the pending dues. However, based on expected credit losses as prescribed under Ind AS as against the incurred loss model envisaged under earlier GAAP, a sum of ₹8,400.77 lakhs has been provided upto March 31, 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 audited financial results - Confirmation of balances from customers are awaited in certain cases. Accounts with certain parties are under review and reconciliation. Provision has been made to the extent required and further adjustments if any, will be made on completion of review/reconciliation. The debts exceeding two years and considered good of recovery by the management is estimated at Rs.2,474 lakhs.
- 7 (b) The net worth (after excluding revaluation reserve) of the group in terms of the consolidated financial statements as at March 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 a. 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.
- b. The Company also approached the Karnataka Sales tax authorities seeking settlement of the Sales tax penalty of ₹362 lakhs, under 'Karasamadhana Scheme 2017'(Scheme) which involves settlement of the matter by payment of 10% of the amount of penalty and withdrawing the appeal before the honorable Supreme Court. However, the same could not be resolved due to certain interpretation issues of the Scheme and demand for certain amount as further tax payment without considering the amounts already paid by the Company. Consequently, the Company filed a writ petition in the honorable High Court of Karnataka challenging the scheme on grounds of discrimination and seeking specific reliefs. The honorable High Court of Karnataka has passed the order on October 01, 2018, that the deposit of Penalty amount made by the Company so far under the interim orders of the honorable High Court of Karnataka and honorable Supreme Court, shall be considered as Deposit made under the provisions of the said scheme subject to the final order by the appropriate authority in terms of the scheme for the adjustment of such deposited amount of Penalty. Further, on March 23, 2019, the Company has received the Final order from Assistant Commissioner of State Tax, Local Goods & Service Tax-140. In the said order, out of ₹.180.05 Lakhs initial deposit amount paid under protest for preferring an appeal by the Company, ₹. 36.21 Lakhs has been considered as the full and final settlement for adjustment against the pending amounts under 'Karasamadhana Scheme 2017' and the balance amount Rs.144.84 Lakhs has been refunded on March 29, 2019 to the Company.

Under the above circumstances, the Company believes based on legal advice / internal assessment that the outcome of these contingencies will be favorable, that losses are not probable and no provision is required to be recognized in this respect.

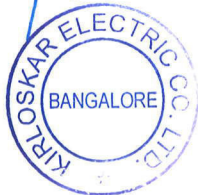
- 9 In March 2020, the WORLD HEALTH ORGANISATION declared COVID-19 to be a pandemic.

Consequent to this the Government of India declared a National lockdown on March 25, 2020, which has impacted the business activities of the company. 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 material 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 On July 02, 2019, the Company had entered into Memorandum of Understanding (MOU) with Shirdi Sai Electricals Limited, Hyderabad (SSEL) for the transfer of manufacturing unit of the company located in Pune, either by Business Transfer or such other mode as may be agreed, subject to the completion of satisfactory due diligence and after receipt of other approvals as may be required. As on the date of results, the Company has informed the Stock Exchanges through an intimation letter dated January 02, 2020 that as per the current discussions with SSEL and as mutually agreed, the MOU has been put on hold indefinitely.

- 11 On October 25, 2019, the Company has entered into an agreement to form a Joint Venture (JV) with M/s Electrodrive Powertrain Solutions Private Limited having its registered office at 184/2, Aerodrome Road, Singanallur, Coimbatore – 641005, Tamil Nadu for the design and development, sales and supply of electric motors to be used for all types of electric vehicles.





- 12 Transition to Ind AS -116 - Leases - Effective April 1, 2019, the Company has adopted Ind AS 116, 'Leases'. Ind AS 116 introduces a single lease accounting model and requires a lessee to recognise Right-of-Use assets and lease liabilities for all leases with a term of more than twelve months, unless the underlying asset is of a low value. The Company has used the 'modified retrospective approach' for transition from the previous standard- Ind AS 17, and consequently, comparatives for previous periods have not been retrospectively adjusted. On transition, the Company records the lease liability at the present value of future lease payments discounted using the incremental borrowing rate and has also chosen the practical expedient provided in the standard to measure the right-of-use at the same value as the lease liability. The effect of Ind AS 116 on profit/(loss) for the current quarter and year ended March 31, 2020 is not material.
- 13 Exceptional Items in the consolidated financial results for the year ended March 31, 2019 include ₹346.40 Lakhs income arising on account of One time settlement entered with State Bank of India for repayment and closure of its outstanding loan in subsidiary, SLPKG Estate Holdings Private Limited on February 27, 2019.
- 14 a. Other Income for the year ended March 31, 2019 primarily includes the profit on sale of properties of the Company situated at Malleshwaram West, Bangalore. Consequently, major part of the sale proceeds have been utilised towards the repayment of the financial dues to the banks and financial institutions.
b. 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.
- 15 In the month of February 2020, Company has 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 till now in these subsidiaries. Accordingly, the investments in the above mentioned subsidiaries are written off in the books of account.
- 16 The figures for the quarter ended March 31, 2020 are the balancing figures between the audited figures in respect of the full year ended March 31, 2020 and nine months ended December 31, 2019.
- 17 Details of Secured Redeemable Non-Convertible Debentures - NIL
- 18 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.
- 19 Previous period figures have been regrouped wherever necessary to confirm with the current period presentation

Place: Bengaluru
Date: June 27, 2020


(Vijay R Kirloskar)
Executive Chairman



Auditor's Report on Standalone Quarterly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

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

1. We have audited the accompanying Statement of Standalone financial results of Kirloskar Electric Company Limited ('the Company') for the quarter ended March 31, 2020 and for the year ended March 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 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("Regulation") as amended. This Statement, which is the responsibility of the company's management and approved by the Board of Directors has been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard (Ind AS 34) - Interim Financial Reporting, prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement based on our audit of such Standalone financial statements.
2. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our qualified opinion.
3. **Basis of Qualified Opinion:**

Attention of the Directors is invited to note 5 to the audited financial results regarding amounts due to the Company from certain subsidiaries towards part consideration receivable on sale/assignment of certain immovable properties, receivables, interest charged and expenses reimbursed. We have relied on the management's representations that it is confident of realization of amounts due to the said subsidiaries aggregating to Rs.12,531.50 lakhs (Rs.14,898.79 lakhs as at March 31, 2019) against which provision is recognized for an amount of Rs.8,400.77 lakhs as at March 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.

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

- a) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended in this regard; and
- b) give a true and fair view of net loss including other comprehensive income and other financial information for the quarter ended March 31, 2020 and for the year ended March 31, 2020.



4. Key Audit Matters:

- a) Note 7(b) of the audited financial results - The directors have detailed the reasons for preparing these audited financial results on a going concern basis, though the Company/Group (consisting of the Company, its subsidiaries and associate) has accumulated losses and their net worth (after excluding Revaluation Reserve) is eroded. There are certain overdue payments to creditors and 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.
- b) Physical Verification of Inventory: The Management has conducted the Physical Verification of Inventory count at the year end and shared with us the Certified Details. Even though we had observed the physical inventory verification by the Management in the previous quarters, due to COVID 19 related lockdown, we were not able to physically observe physical verification of inventory at the year end.
In this regard, we have performed alternate procedures to audit the existence and condition of inventory as per the guidelines provided in SA 501 "Audit evidence -Specific consideration for stipulated items", which includes inspection of supporting documentation relating to purchases, production, sales and such other third party evidences where applicable and have obtained sufficient appropriate audit evidence. Our opinion is not modified in respect of this matter.

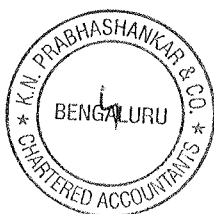
5. Emphasis of Matter:

- a) Note 8(a) of the audited financial results, which states that the Company has filed Special Leave Petition in respect of demands of resale tax penalty of Rs.527 lakhs before the honorable Supreme Court of India. The Management has represented to us that it is not probable that there will be an outflow of economic benefits and hence no provision is required to be recognized in this regard. We have relied on this representation. Our opinion is not modified in respect of this matter.

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

6. Other Matters:

We did not audit the financial statements/information of one branch, the Kuala Lumpur office of the Company, included in the financial results of the Company for the quarter ended and year ended March 31, 2020 whose financial statements/information reflect total assets of Rs.215.45 lakhs as at March 31, 2020 and total revenues of Rs.0.82 lakhs for the year ended on that date. The financial statements/information of the said branch has been prepared and submitted to us by the Management. The financial statements have not been audited by the Branch Auditors due to COVID 19 situation. So, to the extent the amounts have been derived from such financial statements is based solely on the financial statements/information provided to us by the Management. Our report is not modified in respect of this matter.



7. The figures for the quarter ended March 31, 2020 are the balancing figures between audited figures in respect of the full financial year ended March 31, 2020 and the published year-to-date figures upto December 31, 2019, being the date of the end of the third quarter of the current financial year, subjected to a limited review by us.

for K N Prabhashankar & Co.,
(formerly known as Ashok Kumar, Prabhashankar & Co.,)
Chartered Accountants
Firm Regn. No. 004982S


A. Umesh Patwardhan
Partner
M. No. 222945

UDIN: 20222945AAAAABD8579



Place: Bengaluru
Date: June 27, 2020

K N PRABHASHANKAR & CO.
CHARTERED ACCOUNTANTS
S-2, Narayana, 25, Mission Road, Shama Rao Compound
Bengaluru - 560 027. India
Telefax: +91-80-22237045, +91-80-22241284
e-mail: knp@akpco.com

Auditor's Report on Consolidated Financial Results for the Year to Date Results of the Group Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as amended

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

1. We have audited the accompanying Statement of Consolidated financial results of Kirloskar Electric Company Limited ("the Company") and its subsidiaries and associates (collectively referred as "Group") for the year ended March 31, 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 read with SEBI Circular No. CIR/CFD/FAC/62/2016 dated July 5, 2016 ("Regulation") as amended. This Statement, which is the responsibility of the company's management and approved by the Board of Directors has been prepared in accordance with the Accounting Standards prescribed, under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder as applicable and other accounting principles generally accepted in India. Our responsibility is to express an opinion on the statement based on our audit of such Consolidated financial statements.
2. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Companies Act 2013. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Statement is free from material misstatement.

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

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

3. Basis of Qualified Opinion:

Attention of the Directors is invited to note 7(a) to the audited financial results regarding trade receivables/book debts exceeding two years and considered good by the management estimated at Rs.2,474 lakhs. The relevant accounts are subject to adjustments, if required after management completes review, reconciliation and identification of doubtful debts. We are unable to express an independent opinion on the extent of shortfall in the recovery of the same.



4. Key Audit Matters:

- a) Note 7(b) of the audited financial results - The directors have detailed the reasons for preparing these audited financial results on a going concern basis, though the Company/Group (consisting of the Company, its subsidiaries and associate) has accumulated losses and their net worth (after excluding Revaluation Reserve) is eroded. There are certain overdue payments to creditors and 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 apprised 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.
- c) Physical Verification of Inventory: The Management has conducted the Physical Verification of Inventory count at the year end and shared with us the Certified Details. Even though we had observed the physical inventory verification by the Management in the previous quarters, due to COVID 19 related lockdown, we were not able to physically observe physical verification of inventory at the year end.
In this regard, we have performed alternate procedures to audit the existence and condition of inventory as per the guidelines provided in SA 501 "Audit evidence -Specific consideration for stipulated items", which includes inspection of supporting documentation relating to purchases, production, sales and such other third party evidences where applicable and have obtained sufficient appropriate audit evidence. Our opinion is not modified in respect of this matter.

5. Emphasis of Matter:

- a) Note 8(a) of the audited financial results, which states that the Company has filed Special Leave Petition in respect of demand of resale tax penalty of Rs.527 lakhs before the honorable Supreme Court of India. The Management has represented to us that it is not probable that there will be an outflow of economic benefits and hence no provision is required to be recognized in this regard. We have relied on this representation. Our opinion is not modified in respect of this matter.
- b) Note 8(c) of the audited financial results, which states that the Company had filed a Writ Petition in the honorable High Court of Karnataka challenging the demand of Karnataka Value Added Tax, 2003 of ₹893 lakhs and on January 10, 2018, the Writ Petition was disposed by the honorable High Court of Karnataka by setting aside the reassessment order and passed the order to make a fresh order in accordance with the law by the assessing authorities.

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

6. Other Matters:

- a. We did not audit the financial statements of 5 subsidiaries included in the Consolidated year to date financial results, whose Consolidated financial results reflect total assets of Rs.1,699.69 lakhs as at March 31, 2020, total revenues of Rs.593.32 lakhs and net cash flows of Rs.784.28 lakhs for the year ended on that date, as considered in the Consolidated financial results. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us and our opinion on the year to date Consolidated results to the extent they have been derived from such financial statements is based solely on the report of such other auditors. Our report is not modified in respect of this matter.



- b. Unaudited financial statements of Kirloskar (Malaysia) Sdn, Bhd., an associate in which share of loss of the Group was Rs. Nil (restricted to the value of the investments) has been considered for preparation of these financial statements. Unaudited financial statements as received from the said associate has been considered for the purpose of preparation of these Consolidated financial results.
7. i. Based on our audit conducted as above except for the effects in respect of the matter stated in the paragraph on "Basis of Qualified Opinion", Other Matters, and to the best of our information and according to the explanations given to us, these year to date Consolidated financial results include the year to date financial results of the following entities:
- a. Kirsons B V
 - b. Kelbuzz Trading Private Limited
 - c. Luxquisite Parkland Private Limited
 - d. SKG Terra Promonede Private Limited
 - e. SLPKG Estate Holding Private Limited
- ii. are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- iii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards and other accounting principles generally accepted in India of the consolidated total comprehensive income (comprising of net profit and other comprehensive loss) and other financial information of the Group for the year ended March 31, 2020.

for K N Prabhashankar & Co.,
(formerly known as Ashok Kumar, Prabhashankar & Co.,)
Chartered Accountants
Firm Regn. No. 004982S


A. Umesh Patwardhan
Partner
M. No. 222945

UDIN: 20222945AAAABE3654



Place: Bengaluru
Date: June 27, 2020

ANNEXURE I

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lakhs)
	1.	Turnover / Total income	32,340	32,340
	2.	Total Expenditure	40,939	40,939
	3.	Net Profit/(Loss)	(8,599)	(8,599)
	4.	Earnings Per Share	(12.94)	(12.94)
	5.	Total Assets	55,581	55,581
	6.	Total Liabilities	50,707	50,707
	7.	Net Worth	4,874	4,874
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II.	<u>Audit Qualification (each audit qualification separately):</u> a. Details of Audit Qualification: Attention of the Directors is invited to note 5 to the audited financial results regarding amounts due to the Company from certain subsidiaries towards part consideration receivable on sale and assignment of certain immovable properties, receivables, interest charged and expenses reimbursed. We have relied on the management's representations that it is confident of realization of amounts due to the said subsidiaries aggregating to Rs.12,531.50 lakhs (Rs. 14,898.79 lakhs as at March 31, 2019) against which provision is recognized for an amount of Rs.8,400.77 lakhs. Pending disposals/realization of assets by the subsidiaries, shortfall in realization of the amount outstanding (net of provision), if any, could not be ascertained. b. Type of Audit Qualification : Qualified Opinion c. Frequency of qualification: Repetitive d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable e. For Audit Qualification(s) where the impact is not quantified by the auditor: (i) Management's estimation on the impact of audit qualification: These subsidiaries are taking active steps to repay the dues of the Company, from collection of book debts assigned and from disposal of immovable properties transferred apart from debts transferred as referred above. The board of directors are confident of realisation of the entire amounts due from the said subsidiaries as we are sure or realizing much more amount from the sale of immovable properties.			

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

Same as Above comment.

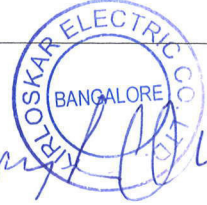
(iii) Auditors' Comments on (i) or (ii) above:

Same as Above in Point a

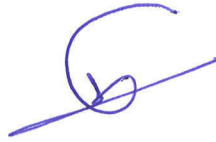
III.

Signatories:

- CEO/Managing Director/ WTD: Vijay R Kirloskar



- CFO: Sanjeev Kumar S



- Audit Committee Chairman: Kamlesh S Gandhi



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

K N Prabhashankar & Co.,

(formerly known as Ashok Kumar, Prabhashankar & Co.,)

Chartered Accountants

Firm Regn. No.00049825



Place: Bengaluru

Date: June 27, 2020

ANNEXURE I

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

Statement on Impact of Audit Qualifications for the Financial Year ended March 31, 2020 [See Regulation 33 / 52 of the SEBI (LODR) (Amendment) Regulations, 2016]				
I.	Sl. No.	Particulars	Audited Figures (as reported before adjusting for qualifications) (Rs. in Lakhs)	Adjusted Figures (audited figures after adjusting for qualifications) (Rs. in Lakhs)
	1.	Turnover / Total income	40,931	40,931
	2.	Total Expenditure	36,400	36,400
	3.	Net Profit/(Loss)	4,531	4,531
	4.	Earnings Per Share	6.82	6.82
	5.	Total Assets	48,622	48,622
	6.	Total Liabilities	53,359	53,359
	7.	Net Worth	(4,737)	(4,737)
	8.	Any other financial item(s) (as felt appropriate by the management)	Nil	Nil
II.	<u>Audit Qualification (each audit qualification separately):</u> a. Details of Audit Qualification: Attention of the Directors is invited to note 7(a) to the audited financial results regarding trade receivables/book debts exceeding two years and considered good by the management estimated at Rs.2,474 lakhs. The relevant accounts are subject to adjustments, if required after management completes review, reconciliation and identification of further doubtful debts. We are unable to express an independent opinion on the extent of shortfall in the recovery of the same. b. Type of Audit Qualification : Qualified Opinion c. Frequency of qualification: Repetitive d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not Applicable e. For Audit Qualification(s) where the impact is not quantified by the auditor:			

(i) **Management's estimation on the impact of audit qualification:**

The Company is in the process of completing the review and reconciliation of receivables/book debts and in our opinion any further provision required will not have material impact on the financial results of the Company and we are confident of realizing the book debts.

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

Same as Above comment.

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

Same as Above in Point a

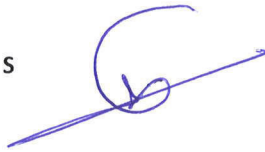
III.

Signatories:

- **CEO/Managing Director/ WTD: Vijay R Kirloskar**



- **CFO: Sanjeev Kumar S**



- **Audit Committee Chairman: Kamlesh S Gandhi**



- **Statutory Auditor: A. Umesh Patwardhan, Mem. No.222945**
K N Prabhashankar & Co.,
(formerly known as Ashok Kumar, Prabhashankar & Co.,)
Chartered Accountants
Firm Regn. No.0004982S



Place: Bengaluru

Date: June 27, 2020