KIRLOSKAR INDUSTRIES LIMITED
A Kirloskar Group Company

Enriching Lives

9 November 2020

BSE Scrip Code: 500243
BSE Limited
Corporate Relationship Department
1st Floor, P. J. Towers,
Dalal Street, Fort,
Mumbai 400 001.

NSE Scrip Code: KIRLOSIND
The Manager
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, C -1, Block G,
Bandra-Kurla Complex, Bandra (E),
Mumbai 400 051.

Dear Sir,

Sub.: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

In continuation to our earlier communication vide letter dated 23 March 2020, 26 March 2020, 14 April 2020, 4 May 2020, 18 May 2020, 8 June 2020, 23 June 2020 and 13 July 2020, pursuant to Regulation 30 of the Regulations read with SEBI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20 May 2020, please find enclosed the disclosure of impact of COVID-19 pandemic on the business of the Company, performance and financials, both qualitatively and quantitatively.

You are requested to take the same on your record.

Thanking you.

Yours faithfully,

For Kirloskar Industries Limited

A.V.Mali

KIRLOSKAR INDUSTRIES LTD PUNE-05

Ashwini Mali
Company Secretary &
Compliance Officer

Encl.: as above

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Pursuant to Regulation 30 of SEBI LODR and SEBI Circular No. SEBI/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, we wish to inform you the following:

This is in reference to SEBI Circular dated 20th May 2020 regarding advisory on disclosure of material impact of CoVID19 pandemic on listed entities under SEBI (LODR) Regulations, 2015.

We also take reference to our earlier communication dated 23 June 2020 on the above subject.

In this connection, we would like to submit as follows:

Quarter 2 (July to September 2020)

a. Impact of the COVID-19 pandemic on the business:

The negative effect of the Covid-19 pandemic reduced during the month of September. The revenue generated is lower due to lower lease rentals, decreased revenue from windmill operations and lower dividend inflow from our investee companies.

The Company reduced discretionary expenditure, and reallocated the savings towards treasury investments.

The Company continues to enjoy a sound financial position and is taking care of the health and well-being of all its employees. .

b. Ability to maintain operations including the factories / units / office spaces functioning and closed down:

The offices of the Company have resumed as per the guidelines issued by the State / Central Governments and Local bodies, from time to time.

We continue to follow a flexible policy of work from home and office ensuring seamless operations, reporting and controls.

All the recommended protocols are being followed by the Company to ensure the safety and well-being of the employees.

c. Schedule, if any, for restarting the operations:

Our windmills continued to operate and have been operating throughout this period. Our continuous investment in the O&M Service Contract has ensured minimizing downtime and increasing machine availability.

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CIN : L70100PN1978PLC088972

Our subsidiary company KFIL restarted operations in phases from the 6th of May till the 5th of June 2020 and has been in operation throughout since then.

Post receipt of necessary approvals, the real estate business commenced with construction activity at its land parcel at Kothrud on 22nd August 2020.

d. Steps taken to ensure smooth functioning of operations:

The Company's robust business processes, strong internal controls and systems and proper planning and execution ensured smooth flow of its operations. .

e. Estimation of the future impact of COVID-19 on its operations:

The impact of COVID in the coming quarters will be visible in the reduction in rental income and reduced yields on treasury income. We are yet in the investing phase in our real estate business which has picked up speed since November 1st.

f. Details of impact of COVID-19 on listed entity's

- **Capital and financial resources:**

  The Company's equity capital structure remained unchanged.

  The Company presently has adequate capital and financial resources to run its business.

- **Profitability:**

  We are realizing lower revenue in the windmill operations due to regulatory changes made by the MSEDCL, which have affected the billing rates. The billing revenue per unit of power will continue to remain the same till March 2021, since we have an agreement in place till then.

  There has been a reduction in lease rentals considering the market condition and the impact of the pandemic which has caused a reduction in profitability. The lease rentals will be reviewed towards the end of the last quarter of the FY20-21.

  The quantum of money deployed in bank fixed deposits and mutual funds increased during the quarter due to receipt of dividend income from our investee companies.

- **Liquidity position:**

  The Company has adequate liquidity and reserves to withstand the current situation.

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- **Ability to service debt and other financing arrangements:**

  The Company does not have any borrowings.

- **Assets:**

  The market value of the Company's investments in listed group companies has gone up in line with stock markets. As stated in the para of 'Profitability', the Company has received dividend from two of its investee companies during the quarter.

  The Company has commenced the development activities for construction on land parcel at Kothrud, Pune from 22 August 2020 as stated earlier and expects it to progress in line with its plans unless there is a disruption again due to the pandemic.

- **Internal financial reporting and control:**

  The Company believes that there is strong internal financial control over financial reporting and risk assessment and mitigation procedures. All reporting systems worked seamlessly without any major disruption.

- **Supply chain:**

  The generation of wind energy was impacted due to lower wind speed during the quarter despite high machine and grid uptime.

- **Demand for its products/services:**

  The Company was able to sell wind energy to its customer at reduced billing rates as stated earlier and will continue to sell the generated wind energy to honour its agreement until March 2021.

g. Existing contracts / agreements where non-fulfilment of the obligations by any party will have significant impact of the listed entity's business:

The Company endeavours to perform its duties as agreed in various executed contracts / agreements. Currently, the Company does not foresee any failure in performance by the Company of its obligations envisaged in contract / agreement entered into by it which may have material effect.

h. Other relevant material updates about the listed entity's business:

Nil

It is difficult to accurately assess the impact of the pandemic on future financial operations of the Company due to its nature and uncertainties involved. The Company has stated the

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factual position as well as its probable business situation going forward in the earlier paragraphs of this note. The Company closely monitors its systems procedures and controls and does not foresee any difficulty in running its business in the ensuing quarters.

For Kirloskar Industries Limited

A.V.Mali

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Ashwini Mali
Company Secretary &
Compliance Officer