KIRLOSKAR INDUSTRIES LIMITED
A Kirloskar Group Company

Enriching Lives

23 June 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 and 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

Ashwini Mali
Company Secretary &
Compliance Officer

KIRLOSKAR INDUSTRIES LTD. PUNE-05

Encl.: as above

KIRLOSKAR INDUSTRIES LIMITED
A Kirloskar Group Company

Enriching Lives

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:

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

Currently, the Company will be able to service its business commitments and other statutory financial obligations. The negative effect of Covid-19 cannot be ruled out completely and in the short term, the Company expects to earn a lower revenue during the Financial Year 2020-21 due to the epidemic's impact on its operations.

However, the Company considers that the robust business processes in place and its effective monitoring of operating costs will enable it to emerge from the current environment in a positive position, while protecting its employees' health, its sound financial balances and the potential of its economic activities.

In the short term, the Company is reducing discretionary expenditure and reallocating resources. As part of these mitigation measures, the Company is stopping or deferring various expenditures that will not be effective in the current environment.

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

The offices of the Company at different locations have resumed with limited staff from 8 June 2020, as per the guidelines issued by the State / Central Governments and Local bodies.

Some staff have been asked to work from home, thereby ensuring seamless operations, reporting and controls.

The Company has also made necessary arrangements to ensure that all staff are safe and comfortable at work.

To ensure the safety and well-being of the employees, the Company has been taking all recommended precautions against COVID-19.

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

The windmill operations were not discontinued during the lockdown period. The operation and maintenance of windmills are monitored by a reliable operation and maintenance service provider.

KIRLOSKAR INDUSTRIES LTD. PUNE-05

Regd. Office : Office No. 801, 8th Floor, Cello Platina, Fergusson College Road, Shivajinagar, Pune 411 005. (India)
• Phone : +91-(0)20 - 2970 4374 • Telefax : +91-(0)20 - 2970 4374 • Email : investorrelations@kirloskar.com • Website : www.kil.net.in
CIN : L70100PN1978PLC088972

d. Steps taken to ensure smooth functioning of operations:

The Company has put in place strict monitoring process for COVID-19 ensuring the following:

- Thermal screening of all employees and visitors;
- Sanitizing the premises and vehicles on regular basis;
- Maintenance of social distancing at all work places;
- Enforcing wearing of masks and regular cleaning of hands;
- Asking all employees to download Aarogya Setu App.

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

The extent to which the COVID-19 pandemic will impact the business and financial performance of the Company will depend on future developments, which are highly uncertain and unpredictable. However, some of the potential impacts are highlighted in point (a) above.

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

- **Capital and financial resources:**

  The Company's equity capital structure remains unchanged.

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

- **Profitability:**

  Wind energy profitability is marginally impacted since the Company was not able to sell wind energy to its customer due to stoppage of manufacturing operation at his end. However, these units were sold to the Maharashtra State Electricity Distribution Company Limited (MSEDCL) at a reduced price.

  There will be a reduction in lease rentals going forward owing to the state of the economy which will affect profitability.

  The investment portfolio in bank fixed deposit and mutual funds will also see a reduction on account of lower yields.

- **Liquidity position:**

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

KIRLOSKAR INDUSTRIES LTD. PUNE-05

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

  The Company does not have any borrowings.

- **Assets:**

  The Company is having large investments in listed group companies. The impact of COVID-19 on the market value of these investments as well as their dividend paying ability during the course of the year is unascertainable at this point in time. The Company's ongoing real estate projects are being reassessed to take into account impact if any on account of COVID -19.

- **Internal financial reporting and control:**

  The Company believes that there is strong internal financial control over financial reporting and risk assessment and mitigation procedures. Hence, during the lockdown with critical staff working from home, all reporting systems worked seamlessly without any major disruption.

- **Supply chain:**

  The generation of wind energy was not interrupted during lock-down period.

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

  There is a temporary reduction in demand of wind energy consequent to stoppage of manufacturing operations by our customer. However, the Company has been able to sell these units to MSEDCL during this period.

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

Given the global nature of the COVID-19 pandemic, and the uncertainty around the severity and duration of the impact across multiple markets and its impact is rapidly evolving in India, the management of the Company is not in a position to accurately

KIRLOSKAR INDUSTRIES LTD. PUNE-05

assess the impact of this on future financial performance at this point of time. Moreover, the detailed impact assessment of COVID-19 on the business of the Company is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to closely monitor the developments and the material impact, if any, will be disclosed from time to time.

For Kirloskar Industries Limited

A.V.Md

Ashwini Mali
Company Secretary &
Compliance Officer

KIRLOSKAR INDUSTRIES LTD. PUNE-05