



KIRLOSKAR ELECTRIC COMPANY LTD.,

Sect./24/2020-21

August 03, 2020

To,
The Secretary,
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: Disclosure of material impact of COVID-19 pandemic on the Company;
Ref: SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020;

Pursuant to regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 read with SEBI circular mentioned under reference, please find enclosed the disclosure of material impact of COVID-19 pandemic on the Company's operation & performance as Annexure - I.

This is for your information and dissemination.

Thanking you

Yours faithfully
for **KIRLOSKAR ELECTRIC COMPANY LIMITED**

K S Swapna Latha
Sr. General Manager (Legal) & Company Secretary

Encl: a/a

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



Annexure - I

KIRLOSKAR ELECTRIC COMPANY LTD.,

DISCLOSURE OF MATERIAL IMPACT OF COVID 19 PANDEMIC

Pursuant to SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 on the disclosure of material impact of Covid -19 pandemic are as follows:

A. Impact of the CoVID-19 pandemic on the business;

The Government of India announced nationwide lockdown on March 23, 2020 due to the pandemic situation of Covid-19. The Company immediately ensured the safety of workers, employees and closed the operations at the manufacturing unit, branch offices and corporate office of the Company. In order to continue the day to day business, the company adopted work from home policy for the employees allowing them to continue their work from their residential.

With necessary approvals, the Company resumed its operations at various manufacturing units, branch offices and corporate office of the company with minimum staff and following the guidelines of Ministry of Health. The Sales of the Company has got affected due to lockdown to the extent Rs. 18 crores during March 2020. Since the customers could not visit our units for inspection and clearing. Further the movement of materials from our suppliers has been affected due to Covid-19 lockdown restrictions at various suppliers' places.

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

Due to the imposition of government restrictions and lockdowns on various activities and the shutdown of non-essential services, the Company adopted the Work from Home Policy to ensure that the deadly corona virus doesn't spread within organization and continue operations to extent possible. With work from home Initiative for office staff, the Company continued to operate on remote basis for administrative, regulatory, payments and other legal compliances.

Manufacturing facilities were partially reopened after obtaining necessary approvals from the Government Authorities. With the progressive easing of the lockdown restrictions from May 3, 2020 & further permissions and relaxations, the operations were started in phased manner. However there were no operations in April 2020 due to the lockdown and sanitization of our works. The uncertainty on account of COVID-19 continues due to the lock



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down in various places. We will report on the impact in the given respective quarters along with financials.

C. Schedule, if any, for restarting the operations;

The Company resumed its operations on following dates adhering to the safety norms prescribed by the Government of India and guidelines of local authorities.

Sl. No	Name of the unit / office	Location	Date of resumption
1.	Unit -2, Unit-6 & Unit -25	Hubbali	April 22, 2020
2.	Unit – 1	Govenahalli	April 24, 2020
3.	Unit – 5	Mysore	April 27, 2020
4.	Unit -16	Pune	May 06, 2020
5.	Corporate office	Bangalore	May 06, 2020
6.	Unit – 7	Tumkur	May 07, 2020

D. Steps taken to ensure smooth functioning of operations;

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. Since uncertainty still exists of covid-19 we are not in a position to confirm the impact immediately.

E. Estimation of the future impact of CoVID-19 on its operations;

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.

F. Details of impact of CoVID-19

1. Capital and financial resources

No impact on Capital, impact on financial resources is uncertain



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2. Profitability;

The profitability of the Company depends on complete lifting of lockdown and other restrictions imposed on covid-19 since materials are supposed to flow from suppliers situated at PAN Asia and finished goods required to moved across PAN INDIA

3. Liquidity position;

Considering the present liquidity position of the company, the company does not foresee any adverse impact on its ability to meet its liabilities as and when they fall due, unless other-wise the lockdown continues which is uncertain.

4. Ability to service debt and other financing arrangements

Likely to have material impact however the company is planning all its resources to honor its obligations. The Company believes that COVID-19 is not likely to have any material impact on its ability to service its debt or other obligations.

5. Assets;

There is no impact on assets of the Company.

6. Internal financial reporting and control;

There is no impact on internal financial controls due to prevailing Covid 19.

7. Supply chain;

There is disruption in the supply chain as certain vendors are situated in contaminated zones across India. However if lockdown is lifted in the near future there will be not significant impact.

8. Demand for its products/services;

The impact on business of the Company in FY 2020-21 is not expected to be material and the Company does not see any material impact on demand for its product / services.

G. Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the Company's business:

The Company at present continues to fulfill its obligations with respect to all the existing contracts and agreements. The Company does not foresee any material impact on account of non-fulfillment of obligation by any party in existing contracts or agreements.



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H. Other relevant material updates about the Company's business:

There is no other relevant update about the business of the Company. However, the Company would closely monitor such developments in future economic conditions and consider their impact on the financial statements of the relevant period.

This is for your information and dissemination

For **Kirloskar Electric Company Limited**

K S Swapna Latha

Sr. General Manager – Legal & Company Secretary