

# KALYANI STEELS

CIN-L27104MH1973PLC016350

KSL:SEC:

June 24, 2020

**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Fort, Mumbai – 400 001  
Scrip Code : 500235

**National Stock Exchange of India Limited**  
Exchange Plaza,  
Bandra Kurla Complex, Bandra (E)  
Mumbai – 400 051  
Scrip Symbol : KSL

Dear Sir,

**Sub. : Disclosure of Impact of COVID 19 pandemic on Operations of the Company**

**Ref. : SEBI Advisory vide Circular No.SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020**

With reference to SEBI Advisory mentioned above, we would like to submit the following details relating to impact of COVID 19 pandemic and the resultant lockdown, on the operations of the Company :

1. Impact of COVID 19 pandemic on the Business :

The lockdown and restrictions imposed on various activities due to COVID 19 pandemic have posed challenges to the business of the Company.

The Company's offices were closed from March 23, 2020 and the plant at Village Ginigera, Taluka and District Koppal, Karnataka was closed from March 25, 2020.

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

As stated earlier the offices and the plant were closed completely. The Company adopted the work from home policy for offices, during the entire lockdown period.

Whenever and wherever required the Company conducted meetings through video conferencing in order to maintain social distancing which is most essential due to the spread of COVID 19.

3. Schedule, if any, for re-starting the Operations and steps taken to ensure smooth functioning of the Operations :

Pursuant to permission received from the office of the Deputy Commissioner, Koppal, Karnataka, the Company started its plant from May 2, 2020.

The Company commenced its office operations from June 10, 2020 as per the guidelines issued by the Ministry of Home Affairs of the Government of India, Government of Maharashtra and the local Municipal Authority.

Plant and Offices operations were commenced in phased manner, post completion of mandatory safety checks and training of employees on Physical distancing, health & hygiene.



**KALYANI**  
GROUP COMPANY

KALYANI STEELS LIMITED, CORPORATE BUILDING, 2ND FLOOR, MUNDHWA, PUNE 411036, INDIA.  
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Few key aspects of the training for employees included –

- Mandatory health check-up before joining.
- Wearing of face-masks, regular sanitization of personal items, work-stations and maintaining social distancing
- Thorough sanitization of all workplaces regularly.

The Company is taking all recommended precautions and preventive measures to ensure safety and well-being of its employees at all times and closely monitoring the situation and taking necessary steps as may be required from time to time.

#### 4. Estimation of the future impact of COVID-19 on Operations :

Due to the continued restriction in the movement of people and materials by the Government, the Company is not able to operate at its optimal capacity. The Company is currently running at approximately 45 to 50% capacity utilization at its plant.

The Company is closely working with the vendors to ensure that there is steady supply of raw materials. There were logistics issues in the initial period of lockdown which have been eased out to a large extent.

Automobile, Engineering and Bearing Industry, are the main target business segments of the Company, which are badly affected by COVID 19 and resultant nationwide lockdown. In this situation it is very difficult to assess and comment on the future impact of COVID 19 with reasonable certainty. The way forward completely depends on the directives of Central / state Government Authorities, normalization of business as well as demand generation for the Company's products.

#### 5. Details of impact of COVID-19 on Company's

a)	Capital and Financial Resources	The Company has adequate capital / internal accruals to meet the business requirements.
b)	Profitability	In view of lockdown, profitability of Q4 of FY 2019-20 and Q1 of FY 2020-21 is likely to be affected.
c)	Liquidity Position	The Company's internal accruals and resources are adequate to maintain liquidity position.
d)	Ability to service debts and other financial obligations	The Company had adequate resources to service its debts / financial obligations.
e)	Assets	All assets are intact, there is no impact of COVID-19.
f)	Internal Financial Reporting and control	Internal Financial Reporting and control is an ongoing process, implemented in the Company and the same is in place.



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g)	Supply Chain	The Company faced the logistics issues in the last week of March and in the month of April, 2020. However the situation started improving from May, 2020 and now the situation is back to normal like pre-COVID 19 scenario.
h)	Demand for products	Demand for products has gone down substantially.

Kindly take the aforesaid submissions on record.

Thanking you,

Yours faithfully,  
For KALYANI STEELS LIMITED

MRS.D.R. PURANIK  
COMPANY SECRETARY  
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