



KIRLOSKAR BROTHERS LIMITED

A Kirloskar Group Company

Enriching Lives

SEC/ F: 20

June 05, 2020

BSE Scrip Code – 500241)

BSE Limited

Corporate Relationship Department,
2nd Floor, New Trading Ring,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400001

(NSE Symbol - KIRLOSBROS)

National Stock Exchange of India Ltd.,
5th Floor, Exchange Plaza,
Bandra (East)
Mumbai – 400 051

Dear Sirs,

Sub.: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

This is in continuation to our earlier communication dated March 26, 2020, June 03, 2020, and June 05, 2020 pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 read with SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, please find enclosed herewith the disclosure on material impact of the Covid-19 pandemic on the business operations of the Company.

You are requested to take the same on your record.

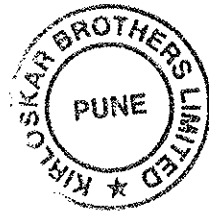
Thanking you,

Yours faithfully,

For **KIRLOSKAR BROTHERS LIMITED**

Sandeep Phadnis
Company Secretary

Encl: As above





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Disclosure on material impact of the Covid-19 pandemic on the business operations of the Company:

- **Impact of the Covid-19 pandemic on the business.**

The lockdowns and restrictions on various activities due to Covid-19 pandemic have posed challenges on overall business of the company and its subsidiaries.

All the manufacturing plants and regional sales offices in India including corporate office were closed from various dates as specified by local authorities between 20th to 23rd March 2020 and continued to remain closed till necessary permissions received on various dates in different locations.

- **Ability to maintain operations including the factories/units/office spaces functioning and those temporarily closed.**

Company has adopted work from home policy during the entire duration of lockdown. Further the company has taken several initiatives for cost reduction and optimization of the use of its financial resources which will help company break even and safeguard margins.

- **Schedule, if any, for restarting the operations.**

Few of our plants have got permission for resuming operations from last week of April.

Manufacturing activities have commenced gradually in few of our manufacturing plants. However, Production ramp up will be based on our current inventory level and estimated demand.

Operations will be at normal level once nationwide lockdown is lifted and free movement of goods and manpower is allowed.

- **Steps taken to ensure smooth functioning of operations.**

- Various safety measures at plant and other offices
- Regular sanitization of office premises and plants
- Robust IT systems –for work from home facility
- Presence of Strong internal and financial control over financial reporting
- Revisited risk assessment and suitably risk mitigations actions are taken

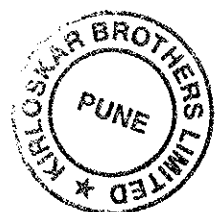
- **Estimation of the future impact of Covid-19 on its operations.**

Sales volume in future is expected to be affected to some extent, which in turn will affect the profitability.

Company is mainly in the business of manufacture and sale of pumps and valves required to handle essential commodities like water, oil & gas etc. serving various segments of the customers. Management has been constantly reviewing changes in demand from each of these segments and its overall impact on company's business and suitably responding to the situation. However, quantification of the impact on current financial year will be premature and a guesswork.



Registered & Corporate Office : "Yamuna", Survey No. 98 (3 to 7), Plot No. 3, Baner, Pune 411045, INDIA.
Tel: +91 (20) 2721 4444 Email: marketing@kbl.co.in Website: www.kirloskarpumps.com
CIN No.: L29113PN1920PLC000670





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- **Details of impact of Covid-19:**

Capital and financial resources	No major impact is expected, except increase in working capital loans for a short period.
Profitability	We expect short term impact on sales due to both demand and supply. Sales and profitability of current year would be lower than earlier year. Company is taking all necessary steps to reduce impact on its operations and profitability.
Liquidity position	Considering company's sound financial management and effective use of internal accruals and external borrowings, liquidity crunch is not expected in near future.
Ability to service debt and other financing arrangements	Company is in the position to serve all its debt and financing arrangements.
Assets	Currently, no major impact on the assets of the Company is envisaged and the Company will comfortably be able to service its business commitments and other statutory financial obligations.
Internal financial reporting and control	Due to robust SAP system and other IT support system, during lockdowns also, all reporting systems worked well to ensure effective internal financial reporting and control.
Supply chain	Supply was affected due to lock down and different restrictions on goods movements. However, situation is improving as certain restrictions are reduced gradually.
Demand for its products/services	In near future, demand is expected to remain affected in certain market segments.

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

The Company will be able to perform its duties as agreed in various contracts / agreements. At present, the Company does not expect any possibility of failure in performance and fulfillment of obligations which will have material impact on company's financial position. Company has issued letters invoking Force Majeure clause to protect it from any contractual liabilities from delays in execution of contracts due to Covid-19.

Thanking you,

Yours faithfully,
For KIRLOSKAR BROTHERS LIMITED

Sanjay C. Kirloskar
Chairman and Managing Director



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