

29<sup>th</sup> June, 2020

The General Manager,  
Corporate Relationship Dept.,  
BSE Limited,  
1<sup>st</sup> Floor, New Trading Ring,  
Rotunda Building,  
P.J. Towers, Dalal Street, Fort,  
Mumbai-400 001  
**(Scrip Code: 531548)**

The Secretary,  
National Stock Exchange of India Ltd.,  
Exchange plaza, 5<sup>th</sup> Floor,  
Bandra-Kurla Complex,  
Bandra (E), Mumbai-400 051  
**(Symbol: SOMANYCERA)**

**Subject: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**


Dear Madam/Sir(s),

Further to our letter dated 8<sup>th</sup> June, 2020 and pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20<sup>th</sup> May, 2020, please find attached herewith an update regarding Impact of COVID-19 on the business of the Company.

This is for your information and record.

Thanking you,

Yours faithfully,  
**For Somany Ceramics Limited**



**Amrish Julka**  
**GM (Legal) and Company Secretary**  
Encl.: As above



## **SOMANY CERAMICS LIMITED**

Disclosure of material Impact of COVID-19 pandemic under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations' / 'LODR')

Pursuant to regulation 30 of SEBI LODR and SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, we wish to inform the following:

The COVID-19 Pandemic has impacted all and brought the whole world to standstill. This has created a health crisis and consequent global economies crisis resulting in many behavioral changes amongst people; making them more fearful of their health. This pandemic has impacted all industries; and the construction and building material industry is no exception. The demand for our products namely tiles, sanitary ware and bath fittings; which are directly related to construction industry is likely to have a slow revival of demand over the course of the financial year.

We at Somany ceramics have complied with all the guidelines and advisories issued by State and Central Government and continue to do so in this dynamic and fluid situation.

We being a responsible company, are issuing an update regularly on the impact of COVID-19.

The below update has few forward looking statements.

### **Impact during Q4FY20:**

- Salary to all the employees was paid for the month of March, 2020 in time.
- The company had sufficient stock of finished goods and raw material to cater to all requirements during and post lockdown period.
- The lockdown has significantly affected the revenue of the company, because of which we see a consequent impact on profitability.



### **Updates during the quarter under review - Q1FY21:**

The lockdown has brought all the commercial activities to a grinding halt with the only exception being “essential goods and services”. In view of the guidelines issued by Ministry of Home Affairs and respective State Government for relaxing the lockdown, the company resumed offices and dispatches in and from all locations except the ones in the containment zones. The partial commencement of activities adhering to the guidelines issued by Ministry of Home Affairs (MHA) has relaxed some pressure. The production activities of the company have started selectively at its various locations from the 1<sup>st</sup> week of June as per the relaxations granted by the Government.

The safety checks as per guidelines issued has been made mandatory across locations and necessary steps have been taken for cleanliness, social distancing which creates an environment of awareness among the employees & workers about the importance of medical checkup.

### **Business continuity actions taken during lockdown:**

- All staff members at different location pan India were engaged as per the Work From Home (WFH) guidelines issued by the Company since the beginning of lockdown.
- In order to maintain business continuity while working from home we leaned on various Web and digital tools to execute certain critical functions/activities such as collections, monitoring receivables, accounting, customer support, virtual review meetings, timely dispatches to name a few.

### **Finance and payment obligations:**

- All statutory obligations have been paid within time limit allowed by government with relaxations as announced.
- The Company has been monitoring cash inflows with a regular follow up with customers during lock down period and managing vendor payments.
- The Company has opted partial moratorium only from a bank for its scheduled payment obligation.
- The major focus during lockdown period was on preserving cash, availability of funds and reducing fixed costs.



**Impact for rest of FY21:**

- Going forward demand improvement would depend on
  - Improvement across various geographies in the country considering the peak of pandemic outbreak is yet to come
  - Impact of second wave of pandemic, if at all
  - Monsoon, which currently is forecasted to be normal
  - Behavioral changes and general fear amongst people
  - Reverse migration of labor which is the back bone of the construction industry
- Broadly we expect demand to improve and hopefully normalize in H2.
- **Initiatives taken for the year:**
  - Rationalization and reduction of fixed cost across the Company
  - To review and evaluate operational inefficiencies thoroughly and take corrective action for the same
  - To evaluate all capex requirement

Although this pandemic has impacted the entire world adversely but we look forward to convert this threat into an opportunity by building a leaner, stronger and more sustainable organization.

