



## LLOYDS STEELS INDUSTRIES LIMITED

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Tel: 91-22-6291 8111 email : [infoengg@lloyds.in](mailto:infoengg@lloyds.in) website: [www.lloydsengg.in](http://www.lloydsengg.in) CIN : L28900MH1994PLC081235

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**Date: 5<sup>th</sup> June, 2020**

**To,**

**BSE Limited**

Corporate Relationship Dept.  
P.J. Towers, 1<sup>st</sup> Floor,  
Dalal Street,  
Mumbai – 400 001

**The National Stock Exchange of India Limited**

Exchange Plaza, Bandra Kurla Complex,  
Bandra (East), Mumbai- 400 051

**Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Disclosure relating to impact of COVID-19 pandemic on the Company**

**Ref: BSE Scrip Code: 53992**

**NSE Symbol: LSIL – Series: BE – Trade for Trade**

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20<sup>th</sup> May 2020 and further to earlier disclosure on the subject dated 25<sup>th</sup> March 2020, an update relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the operations of the Company and the current status is attached.

This is for your information and record.

Thanking you,

Yours faithfully,

**For Lloyds Steels Industries Limited**

**P. R. Ravi Ganesan**  
**Chief Financial Officer and**  
**Company Secretary**

**Encl: A/a**

## **DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC**

Pursuant to SEBI circular SEBJ/HO/CFD/CMD1/CIR/P /2020/84 dated May 20, 2020 read with Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, disclosure of material impact of COVID-19 Pandemic are as follows:

### **1. Impact of the COVID-19 pandemic on the business;**

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

The Company's operations were hit substantially from 25th March, 2020. The Corporate office in Mumbai was fully shut down from 20th March, 2020. The Company suspended all its operations at the plant from 25th March, 2020. The company from 27th April, 2020 onwards had obtained permissions from time to time from the MIDC, Government of Maharashtra for attending to jobs in the Murbad works with limited manpower. The unproductive lockdown, restrictions in deployment of workforce till date, closure of various establishments and depressed economic scenario has adversely affected execution of ongoing jobs at Factory and at various sites and consequently has affected the business and overall operations of the Company. The COVID 19 has further resulted in decrease in manpower requirement resulting in idling of work force.

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

As stated earlier, the Murbad Works was shut completely till 26th April 2020 and even thereafter, the operations could not be resumed fully in view of restrictions imposed by the authorities at various fronts. The Corporate and the registered office were also shut, but the Company adopted the work from home policy, partially, during the entire duration of the lock down.

The HR department of the Company was continuously in touch with the employees to guide them and solve their problems. The HR Department of the Company has continuously created the awareness of Covid 19 among the employees of the Company through E-mails and has also educated the employees in respect of personal hygiene and precautions which needs to be taken in this situation of pandemic. Whenever and wherever required the Company has 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 restarting the operations and steps taken to ensure smooth functioning of operations**

As stated earlier, the company has restarted operations at its works to a limited extent with limited manpower from 27th April 2020. The company has also remobilized manpower to a limited extent at its various job sites. With the easing of the restrictions in a phased manner by the Government of Maharashtra and other State Governments, the Company hopes to restore normalcy in 3 – 4 months.

At its Murbad Works and at various job sites the Company is taking utmost care of its staff and workforce like sanitization, social distancing, mandatory mask wearing and maintaining proper hygiene. The Company also has in place a systematic operating plan (SOP) to deal with Covid-19 issue. The Company is focusing on the strict implementation of SOP so as to mitigate Covid-19 infection risk for the working team. The Company is strictly monitoring its overheads. The production levels would be gradually increased as and when the restrictions would ease and mobility is restored by the authorities. The Company is expecting that new normalcy of operations at Works will be achieved in a period of 3 - 4 months subject to easing of the restriction. The new normalcy forced Covid-19 may result in higher overhead and reduction in benchmark productivity rating.

The Company plans to partially reopen its Corporate Office located at Mumbai, from 8th June 2020 as per the State Government Guidelines.

#### **4. Estimation of the future impact of COVID-19 on its operations;**

Post Pandemic of Covid-19 and withdrawal of Lockdown in India, the expansion plans of the Hydro Carbon Industry may be delayed due to the economic slowdown which consequently will affect in securing fresh orders. Apart from this, the Company expects cutthroat competition in participation of Government Tenders on account of measures announced by the Government in the stimulus package which will have huge impact on the margins. Some commercial contracts will have an impact on account of the Force Majeure and further some legal issues are expected with some of the contracting parties.

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

##### **i. Capital and Financial Resources**

The Company's Capital and Banking operations remain intact. However, the Company may need to augment its financial resources and may approach the lending agencies and/or banks for the same.

##### **ii. Profitability**

In view of the lockdown, the profitability during the 4<sup>th</sup> quarter of 2019-20 is likely to be impacted and also the profitability of the 1st quarter (April to June) of 2020-21 is likely to be adversely affected. As the business situation is very dynamic, the Company is closely monitoring it. The exact impact on the profitability due to the Covid-19 is not possible to define. However the Revenue figures are expected to be much lower as compared to earlier figures.

##### **iii. Liquidity Position**

There is an adverse impact on liquidity as completion of jobs have been delayed affecting the billing process and consequent receipt from Clients. As the receivables are delayed, the cash position will be under stress. The liquidity position will improve with the commencement of dispatches.

##### **iv. Assets**

As of now there is no significant impact on the assets of the Company

##### **v. Ability to service debt and other financing arrangements**

Though the cash position is challenging, with tight control over expenditure, the Company will be able to serve its debt and other financing arrangement.

**vi. Internal financial reporting and control**

The Company has taken cash flow control and overhead control measures to manage the operations.

**vii. Demand for its product and services**

The Company's business revolves around Engineering, Fabrication and Services. The Company expects the demand to be sluggish for some time and will pick up once the expansion plans of the Hydro Carbon Sector are expedited and economic activities picks up in the Country.

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

The Company is well positioned to fulfill its obligations and also does not foresee any significant impact on the business due to non-fulfilment of the obligations by any party.