



# Smiths & Founders (India) Limited

SFIL/COSEC/BSE/1006/2020-21

Wednesday, 10<sup>th</sup> June 2020

To,  
The Department of Corporate Relations,  
BSE Limited,  
P.J.Towers, 25th floor,  
Dalal Street,  
Mumbai-400 001

Dear Sir,

**Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') – update on impact of COVID-19 on the Company**  
**Ref: Scrip Code 513418**

Pursuant to Regulation 30 of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/2020/84 dated May 20, 2020, an update relating to the impact of COVID-19 pandemic and the resultant lockdown is given below:

## **I. Impact on the business**

The outbreak of COVID-19 pandemic and the restrictions imposed by various governments across the globe has slowed down transportation and demand for auto components. In particular, the auto-components industry is getting impacted as governments across the globe are implementing social distancing norms and lockdowns as tools for the containment of the pandemic. People's Purchasing-Power is reducing drastically, which is directly impacting the sales and turnover of the Company.

The Company's operations at its manufacturing plant and registered office had to be temporarily suspended from March 25, 2020 as per the directives of the Government of India and Government of Karnataka, as the safety of the employees was of paramount importance. The operations have been resumed in a scaled down manner, from the first week of May 2020 in accordance with the government guidelines issued from time to time, with all safety measures including social distancing being followed.



## **II. Ability to maintain operations including the factories/units/office spaces**

As on date, the Company's operations have partially resumed in both the registered office and manufacturing plant. Company's employees have been advised to follow all safety precautions like mandatory wearing of masks, use of hand sanitizer, social distancing, non-use of air conditioners etc.,

## **III. Schedule, if any for restarting the Operations and steps taken to ensure smooth functioning of Operations**

As stated earlier, the Company has partially resumed its operations across its locations following the Guideline / Standard Operating Procedures issued by the Central / State Governments and are following the guidelines as issued by the statutory authorities. The Company plans to start full scale production as and when the demand for Company's products picks up.

## **IV. Estimation of the future impact of COVID-19 on the Operations**

The impact of COVID-19 pandemic on the Company will also depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease and mitigate its impact on the economies of the affected countries. The impact of global health pandemic might be different from what we estimate, and the Company will closely monitor any material changes.

The business of the company is heavily dependent upon the domestic market. The key markets of the Company are affected by COVID crises. The impact on the business of the Company due to the situation created by Covid-19 holds uncertainties for the immediate future, especially with regards to consumption and demand. However, the Board and the Management is optimistic of demand gradually coming back to normal levels.

## **V. Impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt, assets and internal financial reporting and control**

The liquidity position of the Company is not healthy because of sustained losses. As part of its strategy, the Company continues to drive cost optimization initiatives across various operations. The company has not defaulted on any interest or loan repayment.



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## VI. Impact of COVID-19 on supply chain

With the lockdown in many States/Union Territories across the country, the supply chains have been put under stress which has resulted in loss of business and pressure on cash flows margins due to lower collection of receivables, operating expenses, payment obligations towards vendors and statutory authorities, etc.

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

The Company has been trying its level best to fulfill its obligations towards existing contracts/arrangements with its customers and vendors. There will be a significant impact on its Business due to non-fulfillment of the obligations by any of them.

## VIII. Any Other update

The Directors have been closely reviewing the impact of COVID-19 on the Company. As mentioned above, the Management is in constant touch with its customers on the evolving situation and making all efforts to service their requirements with minimal delays. The situation created by Covid-19 continues to hold uncertainties for the future; however, the Board and the Management are monitoring the situation as it evolves and will take all possible measures to protect the interests of the Company and its stakeholders.

## IX. Impact on financial statements

The Company will be holding Board Meeting on or before June 30, 2020 and publish its financial results for the quarter and year ended 31<sup>st</sup> March, 2020.

Thanking you,  
**For Smiths & Founders (India) Ltd.**  
Sd/-  
**Roopashree B Shettigar**  
**Company Secretary & Compliance Officer**