

14.07.2020

To

The BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai-
400001

The National Stock Exchange India Limited
Exchange Plaza, Bandra Kurla
Complex
Bandra(E), Mumbai-400051

Scrip Code: 540203

Symbol: SFL

**SUB: DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC -
REGULATION 30**

Dear Sir/Madam,

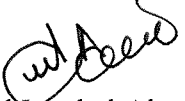
Pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, please, find enclosed disclosure on material impact of COVID-19 pandemic on the Company under Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation, 2015.

This is for your information and record.

Thanking you,

Yours truly,

For Sheela Foam Limited



(Md Iqbal Ahmad)

Company Secretary and Compliance Officer

SHEELA FOAM LTD.

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DISCLOSURE OF MATERIAL IMPACT OF COVID -19 PANDEMIC ON SHEELA FOAM LIMITED

Pursuant to the SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 on disclosure of material impact of COVID-19 pandemic, the impacts are as follows: -

1. Impact of the COVID-19 pandemic on the business

The Company is engaged in manufacturing activities having 10 factories located across the Country. The lockdown announced on the 25th March 2020 and the various announcement by the Government around the time resulted in shut down of our factories and offices. The Company lost the sales for the lockdown periods as there was no activity during the said period, except supply of some hospital mattresses.

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

As per our earlier communication regarding COVID 19 Pandemic, our business activity has been generally shut down during the lockdown period as the Company was not part of Government denominated essential services and the Company has adopted the work from home policy during the entire duration of the lockdown. However the Company did produce limited number of mattresses for hospital use by obtaining prior permission from authorities.

3. Schedule, if any, for restarting the operations

Business activities of the Company have been resumed at a lower scale, from May 06, 2020 ensuring strict compliance with the guidelines issued by MHA and in compliance with conditions stipulated by local district authorities.

4. Steps taken to ensure smooth functioning of operations

The Company has put in place strict monitoring processes for Covid-19 and is ensuring following precautions for smooth functioning of operations:

- a.) Thermal screening of all the employees and visitors
- b.) Maintenance of social distancing at all work places;
- c.) Sanitizing the premises and vehicles on regular basis;
- d.) Enforcing wearing of masks and regular cleaning of hands with soap water of all the employees and visitors;
- e.) Regular update of the health of all the employees and their families and
- f.) Aarogya Setu App installed by all the employees.

5. Estimation of the future impact of COVID-19 on its operations

The scale of operations of the company will depend upon the opening of markets. It is difficult to put an estimate of impact on operations, though the Company is ready to scale up the operations to normal levels.

6. Details of impact of COVID-19 on listed entity's:-

a. Capital and financial resources:

The Company's capital and financial resources remain intact.

b. Profitability

In the prevailing COVID-19 situation the company's revenue for the first two quarters of FY 2020-21 are likely to be adversely impacted. As the business situation is very fluctuating, the Company is closely monitoring it and hope that it normalizes from 3rd quarter. The company is rationalizing its costs to partly offset the loss caused by lower scales of operations.

c. Liquidity position:

There is delay in realization of receivables in case of few customers. However, the Company has no liquidity problem.

d. Ability to service debt and other financing arrangements —

The Company is availing only working capital facilities from the Bank. There is no long-term debt. The Company is able to service its financial obligations.

e. Assets:

Company has secured and insured all the assets and all the assets are in working condition.

f. Internal financial reporting and control -

The Company has adequate internal financial reporting and control System. There are adequate reporting and reviewing mechanisms for normal and exceptional transactions

g. Supply chain:

There was disruption in the supply chain due to restriction in movement. However, since the Government allowed free movement of goods and people, the supply chain position is normalised.

h. Demand for its products:

In the current scenario the demand continues to be at a slower pace. However, the company is positive and hopes that it will get normalized as and when the markets are opened across the country.

7. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on Company's business :

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

8. Other relevant material updates about the Company's business, :

No such material information at this time.