



## International Combustion (India) Limited

Regd. Off.: Infinity Benchmark, 11th Fl., Plot No. G-1,  
Block-EP & GP, Sector-V, Salt Lake, Kolkata - 700 091, India

22<sup>nd</sup> July, 2020

M/s. Bombay Stock Exchange Ltd.  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai - 400 001

**Scrip Code : 505737**

**Sub : Disclosure of Material Impact of COVID-19 Pandemic**

Dear Sirs,

Pursuant to Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20<sup>th</sup> May, 2020 read with Regulation 30 of the Securities & Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby disclose the material impact of COVID-19 Pandemic on the Company and its operations as below :-

1. Impact of the COVID-19 pandemic on the Company's business and on the demand for its products and services -
  - a) Heavy Engineering Division - The Heavy Engineering Division of the Company, being a supplier of capital equipment to mainly the steel, mining, power and other core sector industries, the demand for the products of the division has seen a steep fall for the time being.
  - b) Geared Motors & Gear Boxes Division - The Geared Motors and Gear Boxes Division, being mainly a supplier of intermediate products, the demand for its products has been affected but to a lesser extent.
  - c) Building Material Division - This division, being a supplier to the construction industry, the demand for its products have been severely affected.
2. Ability to maintain operations including the factories/units/office spaces functioning - As already informed to the exchange, due to the Lockdown enforced by Central / State Governments for containment of the Pandemic, there was complete cessation of operations at the various factories/ plants of the Company during the period as mentioned below :-
  - a) Nagpur Works (Heavy Engg. Divn.) - From 21<sup>st</sup> March, 2020 to 20<sup>th</sup> May, 2020
  - b) Aurangabad Works (Geared Motor Divn.) - From 23<sup>rd</sup> March, 2020 to 1<sup>st</sup> June, 2020
  - c) Ajmer Works (Building Material Divn.) - 23<sup>rd</sup> March, 2020 to 17<sup>th</sup> May, 2020
  - d) Baidyabati Works (Heavy Engg. Divn.) - 24<sup>th</sup> March, 2020 to 23<sup>rd</sup> May, 2020



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The various offices of the Company, including the head office/ registered office/ corporate office at Kolkata and the branch offices had also remained shut for almost two months during the aforementioned lockdown period.

Further, due to the Lockdown enforced by the local Government at Aurangabad, the operations at the Geared Motors & Gear Boxes manufacturing plant of the Company at Aurangabad had remained temporarily suspended for the period from 10<sup>th</sup> July, 2020 to 18<sup>th</sup> July, 2020.

Even now, several branch offices/ head office are being required to be intermittently shut due to temporary/ short period lockdowns being imposed by State/ local governments.

3. Schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations - The various plants and offices of the Company were restarted after the cessation of the lockdown as above after obtaining all the necessary Government/ statutory/ regulatory clearances and approvals and following all the necessary safety/ sanitation/ hygiene/ social distancing/work from home/alternating work schedule guidelines, protocols, norms and regulations as prescribed by Government(s).
4. Details of impact of COVID-19 on the Company's capital & financial resources, liquidity position and ability to service debt and other financing arrangements - The Company's liquidity position had been severely impacted by the pandemic due to finished goods lying at the factories and not being despatched due to announcement of sudden lockdown and even delayed payments by customers for goods which had already been despatched. However, the moratorium period provided on term-loan instalments, deferment of interest on working capital facilities and sanction of special COVID-19 short-term demand loan by banks has somewhat improved the liquidity position of the Company.
5. Details of impact of COVID-19 on the Company's assets - There is not expected to be any major impact of COVID-19 on the Company's assets except a possible impact on some of the debtors/ receivables of the Company, the details of the probability of which cannot be estimated at the moment.



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6. Details of impact of COVID-19 on the Company's internal financial reporting and control - Though the Company is operating with reduced workforce, there is not expected to be any significant impact on the Company's internal financial reporting and control system.
7. Details of impact of COVID-19 on the Company's supply chain - The Company, being primarily a capital equipment manufacturer, sources its raw-material inputs, castings, forgings and components from all over the country and in a few cases, even from abroad. As a result, the supply-chain of the Company has been severely impacted.
8. Estimation of the future impact of COVID-19 on the operations and profitability of the Company - With respect to Financial Year 2020-21, due to the sharp drop in demand for the Company's products in both domestic and export markets and severe disruption of supply-chain, there is expected to be a major unfavourable impact on the performance/ profitability of the Company. With respect to Financial Year 2021-22 and beyond, the Company expects both demand and supply-chain to be stabilized, resulting in rapid recovery in future years.
9. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the Company's business - The Company, at the moment, does not envisage any such contracts but there are certain Government / PSU projects, which have been stalled and resultantly, the payments for the machinery supplied by the Company for these projects have been held up and which would be released only upon their successful commissioning as per their payment terms. However, there is not expected to be any significant impact of the same on the Company's business.

Thanking You,

Yours faithfully,  
For **International Combustion (India) Limited**

  
**S. C. Saha**  
Company Secretary