



Sharda Motor Industries Ltd.

SMIL: BSE/NSE: 20-21/2706

June 27, 2020

BSE Limited

Department of Corporate Services

Pheroze Jeejeebhoy Towers

Dalal Street, Mumbai - 400 001

(SCRIP CODE - 535602)

National Stock Exchange of India Limited

Exchange Plaza, 5th Floor

Plot No. C/1, G Block

Bandra - Kurla Complex, Mumbai - 400 051

(Symbol - SHARDAMOTR) (Series - EQ)

Sub: Disclosures of material impact due to COVID-19 pandemic on the Company under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

Dear Sir/ Madam,

In pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, read with Regulation 30 of SEBI Listing Regulations, the disclosures & information with respect to the material impact due to COVID-19 pandemic on the Company is being enclosed herewith in this regard.

Kindly take the same on record.

Thanking You

Your's Faithfully,

For **Sharda Motor Industries Limited**

Nitin Vishnoi
Executive Director &
Company Secretary

Encl. as above

Regd. Office : D-188, Okhla Industrial Area, Phase-I, New Delhi - 110 020 (INDIA)

Tel.: 91-11-47334100, Fax : 91-11-26811676

E-mail : smil@shardamotor.com, Website : www.shardamotor.com

CIN NO-L74899DL1986PLC023202



Sharda Motor Industries Ltd.

Impact of the COVID-19 pandemic on Business

S. No.	Particulars	Impact
1	Impact of the COVID-19 pandemic on the business	<p>The Company's manufacturing facilities remained largely shut from March 23, 2020 to May 7, 2020 as per the directive of the Government/ Authorities. This lockdown and closure of operations has substantially affected the Business Operations from March 23, 2020 till May 7 2020.</p> <p>The lockdown and closure of operations adversely impacted the business during April and May 2020. The company faced some deferement of orders as well as delayed payments from customers. The negative impact on sales in FY 20-21 cannot be quantified in the absence of clear indications from Original Equipment Manufacturer (OEM) Customers.</p>
2	Expected quantum of Present loss/damage	<p>The impact of Covid-19 resulted in losses to the company during the period which is expected to continue for the next few quarters. Also, at present, it is difficult to ascertain the actual loss.</p>
3	Ability to maintain operations including the factories/ units/ office spaces functioning and closed down	<p>The company has always prioritized health, safety and well-being of its employees, their families, and other stakeholders. The company has put in place a robust protocol for ensuring workplace safety including sanitization and social distancing norms and shall continue to strengthen it further, based on the Government of India recommendations. Management is putting its sincere efforts to re-gain the situation of February and March month. After obtaining necessary permissions the company is running its plant and trying get back to its normal situation.</p> <p>The Company is also adhering to the guidelines as specified by the State Government / Central Government and complying with all safety measures to safeguard its employees from Covid- 19 disease.</p>

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4	Initiatives / Steps taken to ensure smooth functioning of operations during lockdown period:	All the facilities available across the company have been sanitized so that our employees are safe and secure. The safety protocols of temperature sensing, wearing of masks, face shields, social distancing, sanitizing, and washing hands are being adhered to very stringently. Employees/ workers have been implemented with appropriate training including following of strict social distancing norms in order to comply with safety systems / norms and shall take the utmost care of its staff deployed at its Plants / R&D Centre with various precautions and safety systems / norms.
5	Schedule, if any, for restarting the operations at Capacity of Plant	The Company expects to restart its offices including its registered office and will function initially with 40%-50% employee strength for several weeks and/or months and / or in compliance with directives of Government/ Authorities as may be issued thereon.
6	Estimation of the future Impact of COVID-19 on its Operations	The company lost over 50 % of its production capacity in the first quarter due to the lockdown being in effect. The company is now in the process of ramping of its production capacity to meet the delivery requirements of its customers. The Company is not in a position to quantify the future impact of the Pandemic as the External environment remains uncertain and challenging. The Company is closely monitoring the evolving Pandemic situation and adjusting as per the emerging circumstances.
7	Details of impact of CoVID-19 on:	
7a	Capital and Financial Resources;	There is no impact on capital and financial resources of the Company.
7b	Profitability;	The profitability of the company for the year 2019-20 is not yet finalised but is expected to reduce. The profitability for the year 2020-21 will also be at lower level because of reduction in sales

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		due to the impact of COVID-19 lockdown.
7c	Liquidity Position;	There are no liquidity concerns in the company. The Company has sufficient liquidity required for its Working Capital and to meet its other financial obligations. However if required the Company can apply for additional adhoc-facilities from the banks but that depends upon the Market Growth scenario. Presently the company's cash position is well-positioned to manage its operations.
7d	Ability to Service Debt and other Financing Arrangements;	The Company doesn't have any debt. This has enhanced the Company's ability to meet the liquidity needs in the foreseeable future.
7e	Assets;	There is no significant impact on debtors and inventory and all assets are at fair value. Company will assess further CAPEX requirements once situation improves and will arrange necessary funding.
7f	Internal Financial Reporting and Control;	All the internal financial reporting and controls have been maintained adequately. Also, the Company continues to look for and implement cost control measures across the organization to conserve cash to address any uncertainties in evolving situations
7g	Supply Chain;	The supply chain has been disrupted due to lockdown since March 2020 and unless the full supply chain resumes back to normal the availability of raw materials, etc is an issue in view of the countrywide lockdown. However since Company has enough stocks at this stage (considering the demand scenario) it will not have any adverse impact.
7h	Demand for its Products and Services;	Since the Company products falls under the non-essential categories, the demand for its products will remain low and will tend to witness a recovery in demand once the Automobile Industry is resilience towards Growth.

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Existing Contracts/Agreements where Non-fulfillment of the obligations by any party will have significant impact on the listed entity's business; Other relevant material updates about the listed entity's business.

We have no such contract which has significant impact on the company.

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