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27.8.2020

BSE LISTING

By NEAPS

The Secretary BSE Limited, Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001.	The Manager, Listing Department National Stock Exchange of India Limited 'Exchange Plaza', C-1, Block G, Bandra Kurla Complex, Bandra (East), Mumbai 400 051
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Dear Sir/ Madam,

Sub:Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 –Impact of COVID–19 pandemic on the Company.

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May 2020 and further to earlier disclosure on the subject dated 24th March, 2020 an update relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the business operations of the Company and the current status is enclosed herewith.

This is for your information and records.

Thanking you,

Yours faithfully,
For SKF India Limited

**RANJAN
KUMAR**

Digitally signed by RANJAN KUMAR
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Ranjan Kumar
Company Secretary

COVID-19 Pandemic Situation- Update on Operations

1. IMPACT OF COVID:

In view of Covid-19 Pandemic, a complete lockdown was declared by the Government Authorities w.e.f. 23rd March 2020 which resulted in loss / damage to the company on various accounts, including the below:

- a.) Loss of revenue;
- b.) Under-absorption of company's fixed cost;
- c.) Low output due to reduced number of operational shifts per day;
- d.) Increased cost levels due to hardship in freight/ transportation;
- e.) Increased cost due to additional preventive steps implemented during this pandemic;
- f.) Constrained availability of resource;
- g.) Decline in consumer demand, etc

Since the uncertainty continues, it is difficult to predict/quantify expected loss/ damage. However, to extend better clarity, below are our broad assessments / comments on some specific areas:

- a.) Insurance: The losses are not covered by Insurance.
- b.) Capital and financial Resources: The company has primarily used its internal capital & financial resources to meet the operational needs.
- c.) Profitability: Profitability has been impacted due to lower demand resulting in impacts on revenue and thereby the capacity utilization and profitability.
- d.) Liquidity Position: The Company is in a comfortable liquidity position.
- e.) Assets: Moderate impact on working capital though we estimate some recovery during the year as economic activity resumes.
- f.) Ability to serve debts / financial liability: The Company is fairly in a comfortable position to meet its financial liabilities.
- g.) Internal financial Reporting & Control: There is no impact on company's internal financial Reporting & control due to Covid.
- h.) Supply Chain: The current Pandemic situation has resulted in delay in supplies, cost escalation, higher freight cost, beside other impacts on supply chain.
- i.) Demand: The company is facing 30% to 40% drop in its demand.
- j.) Existing Contracts / Agreements: There is no existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the company's business;
- k.) Estimated Future Impact: Unavailability of migrant labours after return of normalcy, may cause some disruptions & cost escalations in the operations. We do not expect to grow in 2020 as compared to previous year.

2. FACTORIES / BUSINESS UNITS:

Considering the lock-down declared / restrictions imposed by the Central & State Governments, our Pune manufacturing unit was not-operational from 23rd March to 24th May 2020 whereas Bengaluru & Haridwar manufacturing units were non-operational from 23rd March to 21st April 2020. Currently, all manufacturing units are operating at different capacities in view of the current Pandemic situation.

On a broader level, our factories / other business units were non-functional for around 45 days with nearly no commercial activity. Operations in different locations started in staggered manner in accordance with the guidelines issued by different Government authorities.

3. STEPS TAKEN:

The Company has taken various pro-active steps to reduce the impact of this Pandemic on company's resource & operations. Disinfection/sanitization of all workplaces were carried out, detailed Preventive guidelines / SOPs were developed and implemented, necessary screening equipment installed at business locations, compulsory use of face masks & social distancing ensured beside implementing the guidelines issued by Government Authorities. Emergency response teams were formed, Prestart of health check-up of machines & materials and obtained permission for required people for working in respective locations. During these trying times, company also extended support to society in its unique ways – disinfection & repairing camps for Covid teams, support to migrant workers, distribution of safety kits, etc.