



Lloyds Metals and Energy Limited

Regd. Office : Plot No. A 1-2, MIDC Area, Ghugus, Dist. Chandrapur, 442 505, Maharashtra. Tel. 07172 285099 /103/398 Fax 07172 285003.
Corporate Office : Trade World, "C" Wing, 16th Floor, Kamala City, Senapati Bapat Marg, Lower Parel, Mumbai-400 013. Tel.No. 022-6291 8111. Fax No. 022- 6291 8260
CIN: L40300MH1977PLC019594 Website: www.lloyds.in Email: investor@lloyds.in

Date: 02nd June, 2020

To,
BSE Limited
The Corporate Relationship Department
P.J. Towers, 1st Floor,
Dalal Street,
Mumbai – 400 001

To,
Head- Listing & Compliance
Metropolitan Stock Exchange of India Ltd. (MSEI)
Vibgyor Towers, 4th floor,
Plot No C 62, G - Block,
Opp. Trident Hotel,
Bandra Kurla Complex,
Bandra (E), Mumbai – 400 098

Sub: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 – Disclosure relating to impact of COVID-19 pandemic on the Company
Ref: BSE Scrip Code: 512455
BSE and MSEI Scrip ID: LLOYDSME

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 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 23rd March 2020, an update relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the operations of the Company and the current status is attached.

This is for your information and record.

Thanking you,
Yours faithfully,
For Lloyds Metals and Energy Limited

Riyaz Shaikh
Chief Financial Officer



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DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

Pursuant to SEBI circular SEBJ/HO/CFD/CMD1/CIR/P /2020/84 dated May 20, 2020 read with Regulation 30 of the SEBI (Listing Obligation and Disclosure Requirement) Regulations, 2015, disclosure of material impact of COVID-19 Pandemic are as follows:

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

The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic have posed challenges to the business of the Company.

The Company's operations were hit substantially from 23rd March, 2020. The Corporate office in Mumbai was fully shut down from 20th March, 2020. The Company suspended all its operations except critical operations at the plant from 23rd March, 2020. From 01st April, 2020 to 31st May, 2020 all operations were shut. This unproductive lockdown has adversely affected the business and overall operations of the Company. The depressed market conditions due to Covid 19 has further resulted in decrease in manpower requirement resulting in idling of work force.

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

As stated earlier the plant was shut except the critical operations. The Corporate and the registered office were also shut, but the Company adopted the work from home policy, partially, during the entire duration of the lock down.

The HR department of the Company was continuously in touch with the employees to guide them and solve their problems. The HR Department of the Company has continuously created the awareness of Covid 19 among the employees of the Company through E-mails and has also educated the employees in respect of personal hygiene and precautions which needs to be taken in this situation of pandemic. Whenever and wherever required the Company has conducted meetings through Video Conferencing in order to maintain social distancing which is most essential due to the spread of Covid 19.

3. Schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations

With the lifting of the lockdown, the Company is restarting its operations at the plant from 01st June, 2020 onwards. This being a large plant, with integrated operations, production will start by 15th June 2020.



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At the plant level where the operations have commence the Company is taking utmost care of its staff and workforce like sanitization, social distancing, mandatory mask wearing and maintaining proper hygiene. The Company also has in place a systematic operating plan (SOP) to deal with Covid 19 issue. The Company is focusing on the strict implementation of SOP so as to mitigate Covid 19 infection risk for the working team. The Company is strictly monitoring overheads and as the volumes are under pressure, the Company will run at limited capacity initially which would be ramped up gradually during the month. The Company is expecting that the full production will be achieved by the 1st Week of July. The required number of labour workforce for the restart of operations and also for achieving maximum production is in place.

The Company has also signed an Iron Ore mining contract and is in continuous touch with the Government authorities to allow the Company to start its mining operations, in view of the Covid 19 situation. However the Corporate Office being located at Mumbai, the Company plans to partially reopen the same from 8th June as per the State Government guidelines.

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

Post Pandemic of Covid-19 and withdrawal of Lockdown in India, the market demand for steel and articles of steel is expected to remain low. The low demand of steel would without any doubt adversely affect the demand for Sponge iron. The sponge iron manufacturing units may require to operate the plant at a much lower level than the installed capacity. In order to overcome this, the Company has undertaken various commercial arrangements to ensure further viability. The Company is in discussion with the Union for further mutual benefit of the Company and workers. Some commercial contracts will have to go to force majeure, and there is expected to be some legal issues with some parties.

5. Details of impact of COVID-19 on Company's –

i. Capital and Financial Resources

The Company's Capital and Banking Facilities remain intact. Further the Banks have sanctioned additional limits and loan to the Company.

ii. Profitability

In view of the lockdown, the profitability during the 1st quarter (April to June) is likely to be adversely impacted. As the business situation is very dynamic, the Company is closely monitoring it. The exact profitably due to the impact of Covid 19 is not possible to define. However the Revenue figures would be drastically lower as compared to earlier figures.



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iii. **Liquidity Position**

There is an adverse impact on liquidity due to idle stocks. The liquidity position will improve with the commencement of sales. Further the Board of Directors in its Meeting dated 18th May, 2020 has subject to the approval of shareholders in the ensuing Annual General Meeting, approved the issue of 2,40,00,000 Convertible warrants and 2,66,50,000 Optionally Fully Convertible Debentures which will further help the Company to meet its financial requirements during the liquidity crises.

iv. **Assets**

As of now there is no significant impact on the assets of the Company

v. **Ability to service debt and other financing arrangements**

Though the cash position is challenging, with our limits and tight control over expenditure, the Company will be able to serve its debt and other financing arrangement.

vi. **Internal financial reporting and control**

The Company has taken cash flow control and overhead control measures to manage the operations.

vii. **Demand for its product and services**

There is a temporary reduction in demand due to lockdown, which we expect to improve.

6. **Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity'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.