



MRF

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071/SH/SE Intimation/June 2020/KGG
12th June, 2020

National Stock Exchange of India Ltd Exchange Plaza 5 th Floor Plot No.C/1G Block Bandra-Kurla complex Bandra (E) Mumbai 400 051	Bombay Stock Exchange Ltd Floor 24 P J Towers Dalal Street Mumbai 400 001
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Dear Sir,

Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of the 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, we hereby forward herewith a note on impact of COVID-19 pandemic on the Company.

Kindly take the above information on record.

Thanking you,

Yours faithfully,
For MRF LIMITED


S-DHANVANTH KUMAR
COMPANY SECRETARY

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

The Company's manufacturing facilities, sales offices, godowns and administrative offices were closed from March 25, 2020 due to the lockdown announced by the Central and various State Governments. Commencing from 3rd week of April based on some relaxation of the lockdown restrictions various plants progressively recommenced partial operations with restricted manpower. By around the 2nd week of May all the plants received permissions for resuming partial operations with restricted manpower. Similarly based on the easing in restrictions in certain parts of the country, our sales offices and godowns also began operations in a limited manner. However operations were hampered because of various requirements imposed by the Government for COVID management like timing restriction, manpower ceilings, rotational attendance of workforce, occurrence of any COVID cases in the district or region, tightening of restrictions by local authorities etc. Further many of the dealer outlets were not operating fully.

Work from home was rolled out wherever feasible and for this purpose necessary infrastructure was provided.

While the Company's production levels were lower than capacity during April and May, in view of the lower demand for products, the manufacturing locations were able to service the requirements of the market.

By the end of May 2020, there has been improvements in the opening up of tyre sales outlets across the country, but many of them are still not operating fully and also operating for a few hours only. The Company's sales offices have opened in most of the places except a few.

2, 3 & 4 - Ability to maintain operations including the factories / units / office spaces functioning and closed down & schedule, if any, for restarting the operations, steps taken to ensure smooth functioning of operations

With relaxations announced by the Government of India effective 1st June 2020, all the plants are expected to step up operations. Production levels will however be moderated based on market off take. Most of the sales offices, godowns and administrative offices have opened except a few.

The Company is taking various steps for COVID management stipulated by the Government like sanitisation, mandatory wearing of masks, thermal check at the gate, staggered lunch timings, fixing hand sanitizer dispensers etc. In case of ceiling placed on manpower strength in offices by local governments, efforts are on to maintain operations using a mix of staggered working and work from home. Supply chain is also being monitored to ensure availability of raw material.

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

Given the uncertainty around the severity and duration of the COVID-19, it is difficult to accurately assess the financial impact on future performance at this point of time. Demand is however expected to be less than normal. On the production side, COVID management issues (including availability of contract labour) may pose some challenges. There could also be challenges faced with regard of availability of raw materials because of issues faced by Vendors.



6. Details of impact of COVID-19 on listed entity's capital and financial resources, profitability, liquidity position etc., ability to service debt and other financing arrangements, assets, internal financial reporting and control, supply chain, demand for its products, existing contracts / agreements where non- fulfilment of the obligations by any party will have significant impact on the listed entity's business

The company facilities have commenced production and the supply chain has resumed reaching the products to the markets. The company's operations are poised to scale up and ensure that the products continue to be made available to our customers.

The company has a strong Net Worth, low levels of Debt and favourable liquidity position. We have also serviced all our debt obligations in a timely manner. We do not foresee any incremental risk with regards to our ability to service financial arrangements and recoverability of our assets including inventory and receivables at this point in time. The financial results for Q1 of FY 2020-21 will be adversely impacted due to shutdown period in the quarter. However expected financial impact is not ascertainable at this stage.

At present the company is in a position to fulfil all its legal obligations and it does not foresee any material impact on its business due to non fulfilment of obligations by any party. There has been no impact on the internal financial reporting and controls of the company.

