



**MOL/SECTT/2020**  
**May 30, 2020**

<b>BSE Limited</b> Corporate Relationship Department 1st Floor, New Trading Ring, Rotunda Building, P.J. Towers, Dalal Street, MUMBAI 400001 <b>Scrip Code: 521018</b>	<b>National Stock Exchange of India Limited</b> Listing Department, Exchange Plaza, C-1, Block – G, Bandra-Kurla Complex, Bandra (East),MUMBAI- 400051 <b>Scrip Code: MARALOVER</b>
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**Sub:-In pursuance to the SEBI Circular No. SEBI/HO/CFO/CMD1/CIR/P/2020/84 dated 20th May, 2020- disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in respect of material impact of COVID-19 pandemic on the Company.**

**Dear Sir/ Madam,**

With reference to the SEBI Circular No. SEBI/HO/CFO/CMD1/CIR/P/2020/84 dated 20th May, 2020 titled “*Advisory on disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘LODR Regulations’/‘LODR’)*” advising / encouraging listed entities to make available all the information about the impact of *COVID-19 pandemic* to their investors and stakeholders, we wish to inform you that pursuant to Regulation 30 of the SEBI (LODR), Regulations, 2015, we have timely / regularly updated our investors and stakeholders regarding the temporary closure of our manufacturing plants and their resumption as per the guidelines issued by the Ministry of Home Affairs and local district authorities.

We now wish to inform the latest updates regarding impact of COVID-19 on the business of the Company as under:

**Impact of COVID-19 on the business:**

In light of heightened concern on spread of COVID-19 pandemic, Government of India announced a Lockdown to contain the spread of disease. Before the lockdown, our business operations were running on a normal scale but due to the unprecedented situation owing to the spread of COVID-19 across the globe, not only our domestic billing but even exports were affected. Accordingly, after the lockdown, the production of the Company was at complete standstill towards the end of March, 2020. Further, due the lockdown, the operations at the manufacturing units of the Company were shut down and started from the 24<sup>th</sup> April, 2020 for Yarn and Fabric segment and from 11<sup>th</sup> May 2020 for Garment segment in a phased manner, with limited manpower, as per the Government & local administration’s guidelines.

The company reported net loss of Rs. 2.48 Crores upto the nine months ended 31<sup>st</sup> December, 2019 and was expected to perform better in the fourth quarter of FY 2019-20. As a usual pattern, major portion of the sales take place in the second half of the month but in view of the Covid -19 Pandemic and lockdown restrictions, the sales for the month of March 2020 were affected adversely. We believe that the first quarter of the current financial year is also likely be impacted. However, we expect that operations of the company would return to normal during the second quarter.

*Maral Overseas Limited*

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### **Ability to maintain operations & schedule of re-starting:**

All our manufacturing units were non-operational during the lock down. However, after obtaining necessary permissions from the Government & the concerned local authorities and after ensuring compliances related to COVID-19 guidelines, the Company began all its plant operations in a phased manner, as mentioned above. Currently, all the manufacturing units are operating with limited manpower. It is adhering to the safety norms prescribed by the Government of India. However due to external constraints and supply chain disturbances, the capacity utilization is between 30% to 50%. The normal operations of the Company are expected to resume during the second quarter of the current financial year when the situation is likely to improve all across.

### **Steps taken to ensure smooth functioning:**

The Company had started operations in its three manufacturing plants located in the State of Madhya Pradesh and State of Uttar Pradesh in a phased manner as per the Government & local administration's guidelines. Upon re-starting of the operations, necessary guidelines related to health and hygiene of the employees were adhered to mainly covering social distancing norms, screening, sanitization and self-quarantine etc.

### **Estimation of the future impact of COVID-19 on operations:**

Due to the disruption of the Lockdown, the operations of the plants are running at partial capacity and production will be enhanced in a phased manner based on customer demand, availability of raw material and manpower etc. At this juncture, it is difficult to estimate the exact future impact of COVID-19 pandemic and resultant lockdown.

### **Details of impact of COVID-19, based on certain performance parameters**

### **Capital and financial resources and liquidity:**

The Company has kept sufficient cash reserves to meet immediate cash requirements. The Company got sanctioned additional fund base and non-fund base working capital facility of Rs. 10.90 Crores. Beside this, the Company has sought further fund base working capital facility of Rs. 3.35 Crores from its bankers. The Company has also availed the moratorium facility for 3 months up to June, 2020 and is also in process of availing the additional moratorium facility for 3 month further till August 2020 for repayment of Term Loan Instalment and Interest on Term Loan and working Capital as per the guidelines issued by the Reserve Bank of India. The Company has taken various initiatives to manage its costs across the organization and also taken action to conserve cash. Customers are being followed up to make timely payments and better terms of credit are being negotiated with the suppliers.

### **Profitability:**

In view of lock down, the profitability of first quarter of the current financial year would be impacted. The company is making all efforts to minimize the impact on the profitability of the Company due to the unprecedented situation owing to the spread of COVID-19. All the processes are being reviewed to make the operations lean and curtail costs. There is increased emphasis on use of technology so that travel and movement costs could be minimized. We expect the business situation to normalise during the second quarter of the current financial year.

## *Maral Overseas Limited*

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### **Internal Financial Reporting & Control:**

During the lockdown, the finance team was working under the Company's Work from Home Policy and hence there is no material impact on internal financial reporting and control. The Company works with a robust and comprehensive internal control system with strict adherence to policies which are reviewed in line with changing business practices.

### **Supply chain:**

Due to lockdown situation, supply chain of the Company has been impacted. The Company is in continuous touch with all the stake holders to bring the supply chain to its normal. Further with the relaxations in the lockdown, the supply chain is likely to improve significantly.

### **Demand for products & services:**

The Company is in constant touch with its current as well as potential buyers. We do not expect cancellation of major existing orders however there may be delays in execution of some orders. Kindly take the above information on your record.

**Thanking You.**

**For Maral Overseas Limited**

**Virendra Kumar Garg**

**Company Secretary**

**FCS – 7321**

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