

Corporate Office:

The First, A Wing, 9th Floor, Behind Keshav Baug Party Plot,
The First Avenue Road, Off 132 ft Ring Road,
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Website : http://www.ratnamani.com



RMTL/SEC/REG.30/COVID/2020-21/25VI

25th June, 2020

<p>To, BSE Ltd. Corporate Relationship Department 1st Floor, New Trading Ring, Rotunda Building, P. J. Tower, Dalal Street, Fort, Mumbai – 400 001 Company Code : 520111</p>	<p>To, National Stock Exchange of India Ltd. "Exchange Plaza", 5th Floor, Bandra – Kurla Complex, Bandra (E), Mumbai - 400 051 Company Code : RATNAMANI</p>
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Subject: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref.: SEBI Circular No.SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020

Dear Sir/Madam,

With reference to the above subject, please be informed that the lockdowns and restrictions imposed on various activities due to COVID-19 pandemic, while being a necessary measure to contain its spread, have also posed exceptional challenges to all businesses and the business operations at Ratnamani Metals & Tubes Limited (hereinafter referred to as the "Company") have been no exception to this.

Further, pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular No.SEBI/HO/CFD/ CMD1/ CIR/P/2020/84 dated May 20, 2020 issuing advisory on disclosure of material impact of COVID-19 pandemic and with reference to our previous relevant disclosures on the subject on dated March 24, 2020, April 17, 2020 and April 22, 2020, the following are the brief details relating to the impact of the COVID-19 pandemic on the operations of the Company:

<p>1.</p>	<p>Impact of COVID-19 pandemic on the Business</p>	<p>The Company's operations were closed from March 23, 2020 due to lock down. This has also impacted the operations of the company during April and May of the current Financial Year. Now the Company will have to meet the challenges of this financial year in balance 10 months.</p> <p>1. Stainless Steel Division – Fresh order bookings have happened in April-May, i.e. during lockdown, both from domestic customers and international customers, which gives a confidence that impact on user industries may be short term only and there should not be any major adverse impact on the on-going projects.</p> <p>2. Carbon Steel (H-SAW & ERW) Division –</p>
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There is no major impact on the existing orders. However, future remains uncertain because of low crude prices and delay in restarting offices by various companies on account of COVID-19 lockdown.

3. Carbon Steel (L-SAW) Division - As of now there is no impact on current orders. It looks that first 2 QTRs may have less in booking new orders compare to first QTR of last Financial Year.

Impact on order booking and other inputs:

The company was having an outstanding order book of Rs.1,536.00 crores as on 1st May, 2020 and inspite of lockdown effect, fresh order booking has been there. The lockdown is expected to impact the top line and a de-growth of approx. 20% compared to F.Y.2020 can be expected if things do not improve fast enough, mainly because of delay in order finalisation and non-availability of labour within the factories/at customers' end/for logistics, etc.

Impact on Raw material and other inputs: No very big challenges on the raw material as the company have been receiving the deliveries from overseas and domestic suppliers. Logistics is an issue due to labour migration, but still manageable with some delays. Other inputs are also not much of an issue with the lifting of lockdown now. Normal issue of some delays due to non-availability of labour will be there for some time.

Impact on Production: Operations at all the three plants have started from 20/21 APRIL 2020. At present because of manpower shortage, operations are at 50-60% only. The company is making efforts to bring back the labours and also make the present ones stay by offering incentives and rewards. From 2nd Quarter onwards, the situation of labour is expected to improve gradually.

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2.	Ability to maintain operations including the factories / units / offices functioning and closed down	<p>The operations of the Company was reinitiated with partial capacity in accordance with the guidelines suggested by the Government of India adhering to the safety norms. The Company has currently its State of the Art manufacturing facilities located in Indrad, Chhatral and Kutch in Gujarat State. The Registered and Corporate Office of the Company are situated in Ahmedabad, Gujarat and the Branch Offices are situated in Mumbai and Delhi. The Company's Mumbai and Delhi Offices falls under the Red Zone and was under lockdown as per the guideline suggested by the Government of India and all the employees have been allowed the facility to work from home where their job duty permits it, until further notice by the management. The company has formulated an SOP for maintaining healthy and hygienic working conditions for ensuring smooth functioning of operations which include social distancing, mandatory wearing of mask, hand sanitizer at the time of entering the factory premises, thermal scanning for temperature measurement, sanitization of all factories and office premises and distribution of drinking energy water for immunity build up. These activities are monitored and recorded on a regular basis. The company is also ensuring sanitization of all the vehicles and rawmaterials entering the premises to a large extent.</p>
3.	Schedule, if any for restarting the operations	<p>The Company's manufacturing operations have gradually restarted with the due approvals from the respective government authorities.</p> <p>Carbon Steel – L. Saw Plant situated at Chattral restarted from 21st April, 2020, Stainless Steel Plant situated at Indrad restarted from 21st April, 2020 and Kutch plant re-started from 20th April, 2020. The Company's Corporate office started its operation from 3rd June, 2020. Delhi office started its operation from 18th June, 2020. Mumbai office started its operation from 1st June, 2020.</p>

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4.	Estimation of the future impact of COVID-19 on its operations	The impact of coronavirus on our business will depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease and mitigate its impact on the economy. With the opening of domestic and international market post lockdown, we expect business to improve in a slow and gradual manner. Company has already begun few dispatches since the reopening of their manufacturing locations.
5.	Capital and financial resources	The two major CAPEX going on right now, one in SS (SS Hot Extrusion) and the other in CS (CS LSAW) will see more delays due to restrictions on international travel. These are waiting for visit of final commissioning and trial run team from the suppliers' end. No major cost overrun is expected, except the interest cost due to delay in starting the commercial run. There is no significant adverse impact on cash flows is expected, except to the extent of decline in top line and delay in starting the commercial run of the newer CAPEX in SS and CS (compared to the expected one only). The company continues to be debt free on net basis, has cash liquidity of more than Rs 250.00 crores on a continuous basis and has access to undrawn fund based limits of Rs 145.00 crores and term loan of Rs.100 crores as on date.
6.	Profitability	With the reduction in the tax rate as declared by the Government of India, the Company has made net profit of Rs.30,749.68 Lacs as on 31.03.2020 compare to the previous year 2018-19 of Rs.25,293.21 Lacs.
7.	Annual Results	The Company held its Board Meeting for consideration and approval of the fourth Quarter and Year Ended Audited Standalone and Consolidated Financial Results of the Company for the period ended on March 31, 2020 on 16th June, 2020 via Video conferencing on WebEx IT Platform and physically present of the Directors. The Company has assessed financial impact of COVID-19 outbreak on the financial performance and the same has been covered adequately in the Notes to the Financial Results published on 16th June, 2020.

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8.	Liquidity position	<p>The Company has maintained good unutilised fund based limits as sanctioned by the various banks as on today which ensures adequate liquidity.</p> <p>The Low financial leverage and reasonable cash flow estimates from operations ensure sufficient liquidity to the company and we don't see any liquidity challenge in the near terms.</p>
9.	Ability to service debt and other financing arrangements	<p>The company continues to be debt free on net basis, has cash liquidity of more than Rs 250.00 crores on a continuous basis so it will be able to service debt and other financing arrangements time to time.</p>
10.	Assets	<p>No major impact on the assets of the Company is envisaged for now.</p>
11.	Internal financial reporting and control	<p>The Company has a sound internal financial reporting and control mechanism and wherever applicable additional controls are being added to address the current situation.</p>
12.	Supply chain	<p>We deal with best of the customers within our country and overseas and majority of the PSU projects, where work is going on, have not seen any significant deferment/ cancellation till now. We are optimistic that, though there may be certain delays in order finalisation due to lockdown, the order inflow from on-going projects will continue. Sufficient inventory of raw material at plants are ensured for smooth manufacturing operations. We have so far not received any intimation from any of our customer for:</p> <ul style="list-style-type: none"> - Price reset - Delivery deferment - LD imposition (due to delay in deliveries post lockdown) - Order cancellation - Order hold
13.	Demand for its products/services	<p>The Company has been in constant touch with its entire customer base assessing their requirements to ensure continuity of operations at their end. It has been regularly receiving collections from its customers and payments are made to vendors from time to time to maintain their liquidity. Business operations in the various international</p>

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		markets where the Company operates have been impacted to varying extent based on the spread of the pandemic and the restrictions on business activities placed by the respective Government authorities in these countries;
14.	Existing contracts/ arrangements where non-fulfilment of the obligation by any party will have significant impact on the listed entity's business.	The Company is well positioned to fulfil its obligations and existing contracts /arrangements. At present, we do not foresee any contract/agreements which will have significant impact on the business in case of non-fulfilment of obligations by any party. The Company shall intimate any material update impacting its operations due to COVID-19.
15.	Other relevant material, if any	No other material information.

You are requested to kindly take note of the same.

Thanking you,

Yours faithfully,

For, RATNAMANI METALS & TUBES LIMITED

JIGAR SHAH
COMPANY SECRETARY

Encl.: As above

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