

Date: June 10, 2020

To,
The Manager
Listing Department
BSE Limited
Phiroze Jeejeebhoy Towers
Dalal Street, Mumbai - 400 001
Scrip Code: **540737**

Dear Sirs,

SUB: Impact of COVID-19 on Operations of Company

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 unprecedented challenges to all businesses and the business operations at Shree Ganesh Remedies Limited (hereinafter referred to as the “Company” or “SGRL”) have been no exception to this. The Company's management has made assessment of likely material adverse impact on business and financial risks and believes that the impact will likely to be short term in nature

Further, as desired by the SEBI circular number SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, the Company is submitting the following details to the extent possible:

A) IMPACT OF THE COVID-19 PANDEMIC ON THE BUSINESS

- Due to sudden lockdown, factories and other operations were closed from the last week of March which have been started from the First week of May 2020 in a phased manner.
- With work from home initiative for office staff, the Company continued to operate on remote basis for administrative, regulatory, payments and other legal compliances.

B) ABILITY TO MAINTAIN AND PLAN OF RESTARTING OPERATIONS

- The Company resumed operations at its production facility and office facilities from 4th May 2020 after obtaining necessary regulatory approvals and clearances.
- With further relaxations being given in the month of May, we have furthered the operations in the phased manner strictly adhering to government guidelines and ensuring safety and well-being of our employees.

C) FINANCIAL IMPACT ON OPERATIONS

1. Demand

- Demand in export market seems to be reasonable. It is too early to comment on the demand in domestic market as the business has just restarted, however we are seeing an increase in the domestic demand due to unstable supply from the Chinese sources.

2. Sales

- The sales were slowed down during the starting phase of the COVID-19, however due to long history and regular and consistent supply to the overseas customers the sales target has been achieved and there was no major effect of the COVID-19.
- Also few new projects are targeted to be launched in this financial year with the view of achieving the target turnover set by directors of the Company.

3. Profitability

- There will be no major impact on profitability of the Company.

4. Customer Collections

- All our customer segments viz. Government offices, PSU offices and private players are either not operating or are operating with lesser staff. This has resulted in delayed processing of our invoices and payments from their end.

5. Liquidity &- Debt Servicing

- The Company has made payments for procurement and transport of raw material along with operational expenses from time to time, which has been made without delay to see that none of our stakeholders is deprived of funds.
- The Company is adequately funded with sufficient liquid assets on hand, unused bank lines and strong support from promoters. The Company does not see any risk in meeting its liabilities as and when they fall due.
- All bank liabilities, statutory dues, payment to vendors and contractors have been serviced on time.

D) Internal financial reporting and control

- The Company has a sound internal financial reporting and control mechanism, and wherever applicable additional controls are being added to address the current situation.

E) SUPPLY CHAIN MANAGEMENT

All ports and road transportation were not operating at full capacity due to less staff and has affected cargo evacuation. With relaxation now available since May 2020, this concern is expected to be resolved and evacuation is expected to pick-up.

We ensured sufficient inventory for enabling continuous supply of API to society at this critical hour.

F) ESTIMATION OF THE FUTURE IMPACT OF COVID-19 ON ITS OPERATIONS

Restrictions and challenges due to COVID-19 pandemic are ever-changing and hence any assessment of future outlook and impact is highly dependent upon the external circumstances as they continue to evolve. The Company has considered possible effects of this pandemic on its businesses by developing set of internal assumptions and using external sources of information like economic forecasts, government policy initiatives, timeline relaxations, and credit and industry reports.

In the current situation there is more Unknown than the known, which makes it difficult to estimate the exact impact in this situation. The above update is based on the prevailing conditions and subject to change as the situation unfolds.

However, SGRL is confident of enduring the challenges with the help of teamwork from its employees, business partners and customers and stand true to the legacy it has maintained for a period of more than two decades.

You are requested to take the same on your record.

For, Shree Ganesh Remedies Limited



Chandulal Manubhai Kothia
Managing Director
DIN: 00652806

