



Rama Steel Tubes Ltd.

AN ISO 9001 : 2015 Co. I CIN : L27201DL1974PLC007114

Manufacturers & Exporters : ERW Steel Tubes, Black, Galvanised

Date: July 11, 2020

To

The Manager – Listing
National Stock Exchange of India Ltd
Exchange Plaza, Bandra Kurla Complex
Bandra (East)
Mumbai – 400 051
Symbol: **RAMASTEEL**

The Secretary
Corporate Relationship Dept.
BSE Limited
P.J. Towers, Dalal Street,
Mumbai – 400 001
Scrip Code: **539309**

Sub: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with reference to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020

Dear Sir/Madam,

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, we would like to inform you the impact of COVID-19 pandemic and nationwide lockdown on the operations of the Company.

1. Impact of COVID-19 pandemic on the business, Ability to maintain operations including the factories/units/offices spaces functioning and closed down, schedule, if any, for restarting the operations

In light of heightened concern on spread of COVID-19, Government announced lockdown to contain the spread of disease. Accordingly, the Company had closed all its manufacturing plants and offices.

The Company in its earlier communication to exchange dated 07.05.2020 and 01.06.2020 had intimated partial resumption of operations at its plants at Sahibabad, Anantpur and Khopoli with the limited manpower and adhering to social distancing. All the remaining plants and office of the Company has resumed operations gradually over a period of time adhering to the safety norms prescribed by the authorities.

While the lockdowns and restrictions imposed on various activities were necessary to contain the spread, it has significantly impacted the business operations at Rama Steel Tubes Limited and its subsidiaries. Consequently revenues and profitability have been adversely affected.

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2. Steps taken to ensure smooth functioning of operations

Safety of our employees and their well-being has always been paramount to us. The Company is taking utmost care of its staff and work force like sanitisation, social distancing, mandatory mask wearing, thermal check at the gate, maintaining proper hygiene. In addition, all it has been mandatory for all employees to download the Aarogya setu app launched by the Government of India.

The supply chain is improving day by day. The Company has the availability of raw materials and workers at its plants now. The Company is looking for cost reduction by reducing its advertisement expenditure and renegotiation of its existing contracts at lower Prices.

3. Estimation of the future impact of COVID-19 on operations

Business landscape is fast changing and continuously evolving. The circumstances are extremely dynamic, hence is it not in a position to ascertain, the future impact on its operations.

However in the month of March, 2020, revenues and profitability of company has been adversely affected to the some extent and also revenues and profitability of company is likely to be adversely impacted in the first quarter of FY 2021.

We expect and hope that business situation should be improved in the coming couple of time in FY 2020-21.

4. Details on impact of COVID-19 on capital and financial resources, profitability, liquidity position, ability to service debt and other financial arrangements, assets, internal financial reporting and control, supply chain and demand

The Company is in the position to control the liquidity to meet its financial commitment and liability as we have sufficient unutilized Banking limits available. However the Company has availed moratorium of interest on working capital limits for the months of April-2020 and May-2020 which had been paid off fully in the month of June-2020. Company is envisaging some delay in the receivable collection from buyers/ customers/ government departments. Also the Company is focusing on faster receivable collection and reduction in debt.

The Company expects to remain profitable during the year ended 31st March, 2021 although there may be some impact during the first quarter.

The Company does not foresee any impairment requirements on any of its assets.



There is no adverse impact on the Internal financial reporting and controls. The Company has robust ERP (BizSOL) and other IT systems are in place and all its locations are well networked. Even during lockdown with critical staff were working from home, all the reporting systems worked seamlessly.

The Company has not faced any issue in its supply chains since resumption of operations. The Company expects good demand for its products.

5. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact

The Company is well positioned to fulfil its obligations with respect to all the existing contracts and agreements. We do not foresee any material impact arising from non-fulfilment of obligation by any party in existing contracts or agreements.

6. Other relevant material updates about the Company's business

None

This is for your information and record.

Thanking you,

Yours faithfully,

For **Rama Steel Tubes Limited**

K - Datta

Kapil Datta
Company Secretary &
Compliance Officer

