



Shree Rama Multi-Tech Limited

An ISO 9001 : 2015 Certified Company



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By E-filing

Date: 11th August, 2020

To,
General Manager Listing
BSE Limited
Floor 25, P J Towers,
Dalal Street, Fort,
Mumbai – 400 001

To,
General Manager Listing
National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G,
BandraKurla Complex, Bandra (E),
Mumbai – 400 051

Scrip Code: 532310

Scrip Code: SHREERAMA

Sub.: Disclosure under Reg. 30 of SEBI (Listing Obligations and Disclosure Requirements) Reg., 2015

Ref.: SEBI Circular regarding advisory on disclosure of material impact of CoVID-19 pandemic

Dear Sir/ Madam,

With reference to the above mentioned subject and in accordance with the SEBI advisory regarding the disclosure of material impact of COVID-19 pandemic, we submit herewith the impact of the COVID-19 pandemic on the operations and performance of the Company. However, the potential impact of COVID-19 pandemic is dependent on future developments, which are uncertain.

We request you to take the above on your record.

Thanking You

Yours faithfully,

For, **Shree Rama Multi-Tech Limited**

Purvang Trivedi
(Company Secretary)

Encl.: a/a

Material impact of Covid-19 pandemic on operations and performance of the company

1) Impact of the Covid-19 on the business :

The Company's turnover has been impacted in last 10 days in March 2020 due to lockdown. Our company was closed w.e.f. March 24, 2020. However, since March 27, 2020 the company had obtained permission to operate the plant with lower capacity as per Government's guidelines for Covid-19 as the company falls under essential services. Plant had been operating at lower capacity utilization due to labour mobility issues on account of lockdown and curfew.

2) Ability to continue operations including the factory :

At initial period after received permission to start operations, we deployed our staff in single shift only with 1/3 number of total employee strength. Due to this, our machines were working with lower capacity. Most of our workforce is from Gujarat (areas near the factory premises) and hence no major issues expected with regard to labour migration. However, during lockdown period, we have faced lower capacity of our operations as employees from Ahmedabad and Gandhinagar which are under Red Zones were not coming.

3) Schedule for restarting the operations as usual :

As said earlier, we have resumed our operations w.e.f 27th March, 2020 with lower capacity. However, after lockdown 3 as announced by the government i.e.18th May, we have been operating with full capacity.

4) Steps taken to ensure smooth functioning of operations :

We have formulated a policy to let the employee working from home if the employee or his/her family is covid-19 positive or he/she is coming from containment zone as declared by the government. We have deployed extra vehicles and hired transporter for labour mobilization to ensure social distancing during travelling. During this situation, we have been taking proper measures to safeguard our employees from this pandemic like sanitizer tunnel at every gate of company, sanitizer at every entry and exit point of the premises, compulsory face mask, also ensuring health check up of all the employees through qualified doctor deputed by the Company and providing medicine to the employee via visit twice in a week by him and other measures as per the guidelines of Covid-19. We encourage our employees through offering production incentives also.

5) Estimation of the future impact of Covid-19 on our operations :

Our major clientele are from FMCG and pharma sector which are performing very well during lockdown also. We are also able to capture export as well as domestic orders. Our turnover is also improving gradually as we have adequate orders to execute in the near future. The Company has also assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, etc. On the basis of its present assessment and current



indicators of future economic conditions, the Company expects to recover the carrying amounts of these assets. Whatever capacity utilization lost in the month of April and May 2020 due to strict lockdown, it is affected on financial position of 1st quarter of current financial year 2020-21. However, the assessment of impact of COVID-19 is a continuing process, given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic condition.

6) Details of impact of Covid-19 on listed entity's :

- i) **Working capital requirement:** We have adequate working capital to meet upcoming fixed cost and debt obligations. Our collections from the debtors are partly affected during lockdown. However the same is improving day by day and we expect it to normalize shortly.
- ii) **Profitability:** Profitability of the company during the year is expected to be lower with respect to the last financial year because of lower sales, higher raw material prices and extra cost of precautionary measures to follow protocols of Covid-19.
- iii) **Ability to serve debt and other financing arrangements:** The Company expects to manage funds to serve future debt and other financing requirements from its own accruals.
- iv) **Assets:** The Company will assess further CAPEX requirements from time to time and will arrange funds through internal accruals and external sources, if required.
- v) **Internal financial reporting and control:** Internal financial reporting and control are fully functioning.
- vi) **Supply Chain:** We have not observed any major supply chain issues and it is expected to normalize gradually post lockdown.
- vii) **Demand for products:** We have adequate demand for our products in export as well as domestic market.

7) Existing contracts/agreements where non-fulfillment of the obligation by any party will have significant impact on the listed entity's business: We have no such contracts/agreements which have significant impact on the company or its operations.

