



Shreyans Industries Limited

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SIL/SCY/2020-21/18-19

23rd June 2020

To

Bombay Stock Exchange Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai 400 001 Scrip Code: 516016	National Stock Exchange of India Ltd. Exchange Plaza, Bandra Kurla Complex, Bandra (West) Mumbai - 400 051 Scrip Code: SHREYANIND
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SUB: DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC ON LISTED ENTITIES UNDER SEBI [LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS] REGULATIONS, 2015.

Reference:

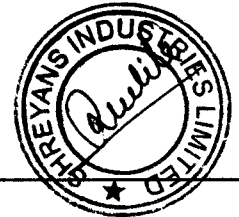
1. Our Letter No. SIL/SCY/2019-20 dated 23.03.2020
2. Our Letter No. SIL/SCY/2019-20 dated 27.04.2020
3. SEBI Circular No. SEBI/HO/CFD/CMD-1/ Cir/ P/2020/84 dated 20.05.2020

Dear Sir/Madam

Vide circular cited under Ref. [3], SEBI had advised the listed entities to make available all information about the impact of Covid-19 pandemic in a timely and cogent manner to its investors and stakeholders.

In this regard, we would like to submit that, vide our letter cited under Ref. No.[1], we had already intimated you that both the units of the Company, Unit-1 at Ahmedgarh, District Sangrur [Punjab] and Unit-2 at Banah, District Bhagat Singh Nagar [Punjab] had closed from 23.03.2020, in response to the measures to curb the spread of Covid-19 Virus.

Vide our letter under Ref. No.[2], we had also intimated to you about the recommencement of operations in both the units of the Company from 27.04.2020.



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Having regard to the above SEBI circular, we now desire to furnish the following, based on our evaluation of the impact of Covid-19 pandemic on our business, performance and financials.

1. Impact of Covid-19 on the business:

- a] Printing and Writing paper segment, which is the only product which Company manufacture, is expected to be impacted in the near to mid-term.
- b] Educational sector is the main consumer of Writing and Printing paper and as on date almost all educational institutions are closed due to Covid-19 impact. This has severely affected the demand of Writing and Printing paper and impact of the same is likely to continue in near future. The Company is taking necessary steps to strengthen its market operations to deal with reduced demand and is also maintaining its liquidity to overcome extended period of low sale and poor revenue collections.

2. Ability to maintain operations:

- a] Both units of the Company closed on 23.03.2020 and restarted operations on 27.04.2020.
- b] On restart, we have been able to maintain production of paper with a production capacity of 50% to 60% keeping in view the lower market demand of paper.

3. Steps taken to ensure smooth functioning:

- a] The Company officials had maintained continuous contact with all our employees during lockdown period and had ensured that wages and salaries due to them are paid even during the lockdown period. As a result when operations restarted, almost all the employees reported for duty. However, keeping in view the Govt. restrictions regarding maximum workforce allowed, limited number of employees were allowed to work on rotational basis; but operations of both the

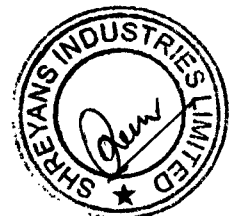


units remain smooth. As on date, while there are no constraints to the operations but due to market conditions, production is limited to 50% to 60%.

- b) Adequate safety measures regarding continuous dis-infecting of offices and factory premises, adequate provision for sanitizer, hand wash, masks and other safety measure have been made. It is being ensure that adequate physical distancing and use of masks at the work place is done by the workmen and other employees. Temperature checking of persons on gate is done and also periodically even in workers colony checks are done.
- c) The Company expects to face challenges in the near term on account of higher inventory levels, in the absence of opening up of the key markets and lower demand for its products.

4. Impact of Covid-19 on the Company:

- a) The Company has to incur additional compliance cost to conform to standard operating procedures under extant Covid guidelines.
- b) Continuous closure of the educational institutions is expected to impact the operational and financial performance of the Company in near to mid-term and the same is not covered under insurance.
- c) The Company has adequate liquidity and financial resources to meet its operational requirements and financial commitments as per indications available as on date.
- d) As per current assessment, there is no significant impact on the carrying amounts of property, plant and equipment, investment, inventories, receivables and other financial assets. Our internal financial reporting and control is in no manner impacted by Covid-19.



5. **Impact on contracts/agreements:**


The Company does not foresee any significant impact in respect of its existing contracts and agreements where the non-fulfillment of obligations by any party would lead to any material financial claim.

6. **Other relevant material updates:**

- a) There have been short term interruptions and adverse impact by reason of Covid-19 for the Company. The company remains confident of weathering the current challenges.
- b) Sustaining the operations of the Company will largely depend on opening up of key markets, as stated above in Point No.3 [c]. Paucity of orders may push the company to avail intermittent shuts.
- c) The future course of Covid-19 and consequent Government interventions are however beyond the assessment of the Company.

Kindly note and display the notice on your notice Board for the information of the members of your exchange and general public.

For SHREYANS INDUSTRIES LIMITED


(Ruchita Vij)
COMPANY SECRETARY
FCS: 9210

