



# JAI BALAJI INDUSTRIES LIMITED

Ref: JBIL/SE/2020-21

Date: 1<sup>st</sup> June, 2020

To  
The Manager  
**Listing Department**  
**National Stock Exchange of India Limited**  
"EXCHANGE PLAZA", C-1, Block-G  
Bandra-Kurla Complex, Bandra (E),  
Mumbai – 400 051  
(NSE Symbol: JAIBALAJI)

The Manager  
**Dept. of Corporate Services**  
**BSE Limited**  
Phiroze Jeejeebhoy Towers,  
Dalal Street  
Mumbai – 400 001  
(BSE Scrip Code: 532976)

Dear Sir/Madam,

**Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")**

This is in reference with Regulation 30 of Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20<sup>th</sup> May, 2020 and also our earlier relevant disclosures on the aforesaid matter.

**1. Impact of COVID-19 Pandemic, ability to maintain operations, schedule if any for restarting the operations and steps taken to ensure the smooth functioning of the operations**

The COVID-19 pandemic marks an unprecedented time in modern history that will require the best of humanity to overcome. 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 and Jai Balaji Industries Limited have been no exception to this.

All the operations of the Company were shutdown since mid of March, 2020 and as intimated vide our earlier letter dated May 26, 2020, as per the guidelines issued by the Government of India / State Government(s) / Local Authority, necessary permissions have been received by the Company from the concerned local Authorities to partially resume the operations at its manufacturing facilities with very limited manpower.

The Company has taken all necessary steps to adhere to the guidelines for social distancing provided by Ministry of Home Affairs along with the various directives issued by relevant Government authorities and has put in place safety measures keeping in mind safety, health and well – being of the employees and other stakeholders at all our locations. All the facilities and offices are being sanitized so that our people are safe and secure.

Amidst the crisis, the safety of our employees has been our top-most priority and the Company has taken several measures to ensure their well-being. Majority of employees in our offices have been working from home in accordance with the guidelines issued by the Central/State/Municipal authorities. The safety of employees who are now required to step out for work is being ensured

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CIN - L27102WB1999PLC089755







and they have been mandated to use protective gear and take all safety precautions. All employees have been instructed to download the *Aarogya setu* app launched by the Government of India.

## 2. Impact of COVID-19 on Company's capital and financial resources, profitability, liquidity position, internal financial reporting and control

Global steel sector faces uncertain road to recovery in wake of pandemic. In addition to massive human anguish, the virus is taking its toll on the global economy.

The economic impact of the 2020 corona virus pandemic in India has been largely disruptive. The nationwide shutdown has brought India's iron and steel industry to a standstill and impacted production, demand and supply of steel in India. With India under lockdown the domestic market has also come under complete halt and is now facing an uncertain future. The COVID-19 impact along with the mass migration of people has resulted in non-availability of skilled and unskilled workforce. The company itself was facing steel industry downturn and cost pressures before Covid-19. Additional pressure on balance sheet, production, demand, supply and manpower is bound to happen due to covid-19. The normalization of demand, production supply, manpower and profitability will take a few quarter more and depending on how the economy normalizes.

As per the current assessment there has been no reportable impact on the capital except the fixed cost and inventory mark downs. Available resources of the Company have been utilized for continuing operations. However, the disruption of normal operations and capacity utilization is expected to have its adverse consequential effects both on the turnover and profitability. Complete lockdown has resulted in non-operational days and had its effect on turnover and profitability. Stopping production and shutting down the blast furnace has been a costly affair for the Company. As such the figures may remain subdued during the first three quarters of this year. There has been general consequential deficit in demand for the products.

This unprecedented situation has also its adverse effect on the operating cash flow with negligible revenue and committed costs being incurred like payment to service providers, payment to staff/employees owing to the social responsibility of a Company. Overcoming liquidity constraints particularly towards working capital needs cannot be accomplished overnight.

The current low demand for steel and supply chain disruption situation does not permit us for the full ramp-up. Overcoming challenges in the form of getting migrant laborers back into manufacturing zones, resetting disrupted supply chains would be very difficult for the Company in time to come.

The Company's internal financial reporting and control are in no manner impacted by the pandemic.

Quantitative impact of restrictions imposed in view of the outbreak of the concerned pandemic on the Company's turnover, resources, profitability, etc. are being estimated and will be reported in due course of time along with the annual and quarterly results of the Company. The extent of the actual impact will depend upon the severity and duration of the outbreak. The revival of the Company is largely dependent on revival of economic activity in the country and across the globe.

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

The steel industry, which has been clouded by oversupply and low demand for years, is bracing for more difficult times ahead as the corona virus disease (Covid-19) pandemic rages globally without any definitive sign of subsiding soon. As per various reports and general expectation, the unexpected virus pandemic, projected to bring about a global recession, exacerbates the already challenging operating environment for steel makers around the world. The manufacturing industry, an important part of any economy, suffers from lack of clarity. The global nature of the outbreak, coupled with its high intensity and long duration, is expected to change the business landscape by way of shift in trade flows, investments and consumption patterns.

The future impact on Company's operations is dynamic and will improve as the situation changes.

### 4. Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business:

At present, we do not foresee any contract/agreements, where non-fulfillment of any obligations by any party, will have significant impact on the business of the Company.

The Company shall continue to closely monitor the prevalent situation and take all necessary steps as may be required from time to time. It shall furnish further updates in case of any material developments or changes.

This is for your kind information and record.

Thanking you  
Yours faithfully,

For **Jai Balaji Industries Limited**

  
**Ajay Kumar Tantia**  
**Company Secretary**

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