

REF: RMC/2020-21/BSE/683

Date: 07.08.2020

To,

Department of Corporate Services,
Listing and Compliance
BSE Limited,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai-400 001

Sub.: Disclosure of material impact of Covid-19 pandemic pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020.

Scrip Code (BSE): 540358

Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, RMC Switchgears Limited ("the Company") has evaluated the impact of the CoVID-19 pandemic on their business, performance and financials, both qualitatively and quantitatively, to the extent possible and hereby disseminates the same:

1. Impact of the Covid-19 Pandemic on Business

The impact of COVID-19 pandemic has been felt all over the world. The effect on human lives has been unprecedented. As production is curtailed around the world, many industries like us would face challenges. Due to the outbreak of novel Coronavirus disease, the registered office and manufacturing plant were shut down temporarily by the Company from March 22nd, 2020 as per the Lockdown directives of Government and the Company was operating on "Work from Home" basis.


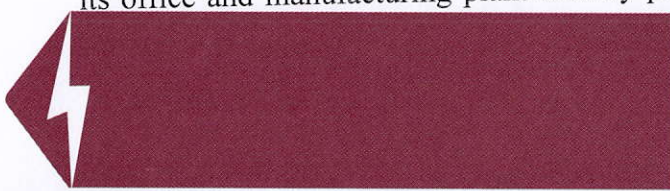
Due to this, the business of the Company was impacted, since no Manufacturing and sale took place during the lockdown period. Consequently, it caused unanticipated delay and increased costs to production. The revenues and profitability of the Company have also been adversely affected

However, the Company is focusing on maximizing profit and improving liquidity position in future.

2. Ability to maintain operations including the factories/units/office spaces functioning and closed down

The registered office and manufacturing plant of the company were shut down temporarily on March 22nd, 2020 as per the Lockdown directives of Government. The Company opened up its office and manufacturing plant activity partially from May 4th, 2020 with required work

CIN : (L25111RJ1994PLG08698)
Formerly Known As RMC Switch Gears Limited
Registered Office & Factory : 7 K.M. From Chaksu, Khotkanda Road,
Village-Badodtya, Tehsil-Chaksu, Tonk Road, Jaipur (Raj.) 303901,
Corporate Office : B-11, (B&C), Malviya Industrial Area, Jaipur - 17 (Raj.),
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force and operations were started at a low pace. The Company began its operations in full force from June, 2020 onwards.

The company is complying with all the guidelines issued by the Government. The Company is also in constant discussion with its customers, vendors and other stakeholders to propel the business forward

3. Schedule, if any, for restarting the operations:

The Company has already started all manufacturing plants and offices.

4. Steps taken to ensure smooth functioning of operations

The Company has ensured measures as per government guidelines & will follow the guidelines issued from time to time for the smooth functioning of operations. All the establishments and offices have been sanitized to ensure safety and security of our staff members and other stakeholders. All safety protocols of temperature sensing, wearing of safety gears (masks, goggles, face shields), social distancing, sanitizing and washing hands are being adhered to very stringently.

The Company has implemented stringent cost control measures across the organization to preserve liquidity to survive tough time and respond to any unexpected events in the future due to the pandemic.

The Company is also in constant discussion with its customers, vendors and other stakeholders to propel the business forward

5. Estimation of the future impact of CoVID-19 on its operations

COVID-19 certainly has a negative impact on the growth of the company. The business of the company was affected due to lockdown and effect continues after unlocking. The Company could not manufacture and sale during the lockdown period. After the unlocking, the company began to manufacture and sale, but due to undermined cash flow position, the manufacturing and sales has been relatively less. However, the Company is taking adequate measures to cope up in this difficult situation. The Company is expecting that its operations would be run in an efficient and more streamlined manner to consolidate and mitigate the impact of slowdown of operation witnessed due to Covid-19.

6. Details of impact of CoVID-19 on listed entity's

a) Capital and financial resources

There has been no impact on capital and financial resources.

b) Profitability

The Company has faced decrease in profitability by 10 % due to slowdown of operation during lockdown. However, the Company is focusing on maximizing profit in future.



... **c) Liquidity Position**

Due to undermined cash flow position, the liquidity of the Company has been impacted. However, the Company is working towards managing the liquidity position by recovering receivables from Customers, completing Government Projects and enrolling itself in the funding schemes launched by the Government.

d) Ability to service debt and other financing arrangements

The Company has certain interest obligation and financial obligations at present and company has availed moratorium in few interest/installments obligations and has been paying the others since the lockdown. The company has also extended for financial obligations with mutual consent of the vendors.
However, the Company plans to become debt free within next five years.

e) Assets

The Assets of the Company other than Cash & cash Equivalents and trade receivables are not affected.

f) Internal financial reporting and control

Internal Financial reporting and control of the Company remain intact and are not affected.

g) Supply chain

Due to lockdown and restrictions imposed by the government, the Company has not faced any major difficulty in supply chain. The Company is now disposing off scrap by sale to reduce inventory cost and increase cash inflow.

h) Demand for its products/services

There is a temporary reduction in demand by 10% due to Government Projects, which we expect to improve in future as the market stabilizes.

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,

For RMC Switchgears Limited


Ankit Agarwal
Whole Time Director
DIN: 00793035

