



Ref. No.: EIL/SD/Regl.-30 (Covid-19)/2020-2021/4VII

Date : 4th July, 2020

To,
General Manager (Listing)
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400 001
COMPANY CODE : 526608

To,
Listing Department
National Stock Exchange of India Ltd.
Exchange Plaza, Bandra – Kurla Complex,
Bandra (East),
Mumbai – 400 051
COMPANY CODE : ELECTHERM

Dear Sir/Madam,

Sub: Disclosure of material impact of CoVID–19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
Ref: SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”), read with SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020, we are submitting herewith the disclosure of material impact of CoVID-19 pandemic on the Company.

You are requested to take the same on your record.

Thanking you,

Yours faithfully,
For Electrotherm (India) Limited

Shailesh Bhandari
Managing Director
(DIN: 00058866)

ELECTROTHERM (India) Limited

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Disclosure on COVID – 19 Impact

1	Impact of the Covid-19 pandemic on the business	<p>In view of the spread of Novel Coronavirus (COVID-19) in India including Gujarat, as per various advisories and notifications from the State Government and Central Government and ensuring safety of its employees and stakeholders, the Company has decided to temporarily / partially suspend/shutdown its production and office operations located at all the three plants at Palodia, Samakhiali and Vadodara from 24th March, 2020.</p> <p>There was a loss of production of more than one month and thereafter also, due to limited manpower and logistics challenges caused by lockdown restrictions, the production has continued to be affected with lower capacity utilization and it is expected that the productions at all the locations will be normalized in the 2nd quarter of the current financial year.</p>
2	Ability to maintain operation including the factories / units / office spaces functioning and closed down	<p>During temporarily / partially suspension /shutdown of productions and operations of the Company, the Company has adopted “Work from Home” policy for its employees.</p>
3	Schedule, if any, for restarting the operations	<p>The production / office operations at Company’s plants located at Vadodara, Samakhiali and Palodia have been restarted on 20th April, 2020, 29th April, 2020 and 11th May, 2020, respectively, on staggered basis after obtaining necessary permissions from and/or as per the directions / notification of the concerned State / Central Government Authorities.</p>

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<p>4 Steps taken to ensure smooth functioning of operations</p>	<p>The Company has been taking necessary precautionary measures of health and safety at all the plants against the spread of Novel Coronavirus (COVID -19) and has prepared Standard Operating Procedure (SOP) in accordance with the various advisory / notifications of the Government.</p> <p>The Company has made necessary arrangement to ensure that the employees are safe and comfortable at work i.e. thermal scanning, providing medical facility, distributing immunity booster tablets, sanitization, ensuring to maintain social distancing, mandatory mask wearing, maintaining proper hygiene, ensuring use of Arogya Setu App, frequently checking at work space, constituted COVID task force for providing necessary information and support to employees.</p>
<p>5 Estimation of future impact of Covid-19 on its operations</p>	<p>Due to temporarily / partially suspension /shutdown of the productions and operations of the Company, the operational and financial performance of the Company are likely to have considerable financial impact. At this stage, it is difficult to assess the actual impact on revenue and profitability of the Company for whole financial year 2020-21. We are hopeful that the market conditions would become normal and demand will be increase gradually.</p>
<p>6 Details of impact of Covid-19 on listed entity's-</p>	
<p>a. Capital and financial resources</p>	<p>The Company had faced severe financial and liquidity crunch in the past and thereafter, the Company has entered into settlement with majority of lenders for repayment of debts at sustainable level. In view of the present unexpected situation affecting the cash flows and financial resources of the Company, there was some delayed payment / non-payment to the</p>

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	<p>lenders and the Company has requested to all the settled lenders to grant a moratorium as per the Covid-19 Regulatory package announced by the Reserve Bank of India (RBI).</p>
b. Profitability	<p>Due to nationwide lock down affecting the production at all locations, the profitability of the 4th quarter of last financial year and 1st quarter of current financial year is adversely impacted which may lead to have impact on the total profitability of the company at the end of financial year 2020-21.</p>
c. Liquidity Position	<p>The Company is facing short term liquidity crunch as the operations at all locations have been affected and currently there is shortfall in required working capital further affecting cash flows of the Company. The Company is hopeful to overcome the situation in the long run after achieving entire operations at optimum level.</p> <p>Further, with the support of lenders by allowing moratorium as per the Regulatory package announced by the Reserve Bank of India, the Company is hopeful to meet the current working capital requirements for the operations of the Company.</p>
d. Ability to service debt and other financing arrangements	<p>The Company has entered into debt settlement with majority of lenders, however the COVID-19 lockdown which has affected all operations of the Company, there was some delayed payment / non-payment to the lenders and the Company has requested to all the settled lenders to grant a moratorium as per the Covid-19 Regulatory package announced by the Reserve Bank of India (RBI). There are no other financing arrangements by the Company.</p>

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e. Assets	There is no major impact on the assets of the Company.
f. Internal financial reporting and control	The Internal financial reporting and control are maintained adequately.
g. Supply chain	The supply chain was disrupted due to nationwide lockdown. We are hopeful that the market condition will improve and would become normal in due course in view of relaxation in lockdown.
h. Demand for its products / services	<p><u>Engineering and Technologies Division (E&T Division):</u></p> <p>E&T Division has been catering to the needs of steel making, foundry and forging industry. Due to COVID-19, the demand from these industries has gone down in the short term and may improve gradually. However, the company is confident that its technological differentiated products and complete engineering solutions strategy would help to achieve the desired growth.</p> <p><u>Steel Division:</u></p> <p>Demand of TMT bar is largely depends on construction industry/Housing sector and Infrastructure project. We expect the demand of TMT bars to revive slowly both from infrastructure and housing sectors as both are severely impacted by the shortage of labour at construction sites.</p> <p>For Ductile Iron Pipes, the company has substantial order book to cater to various government projects, and with GOI's plan to increase investments in water infrastructure, the company will be able to utilize its capacity well.</p>

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		Electric Vehicle Division: In view of the gradual relaxation in lockdown across the Company and various initiatives by the Government for electric vehicle segment, the demand will increase gradually.
7	Existing contacts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business	The Company is committed to and well positioned to fulfill its obligations related to business contracts / agreements to all possible extent and there would not be any significant impact on account of non-fulfillment or delayed fulfillment of the said obligations.
8	Other relevant material updates about the listed entity's business	There are no other relevant material updates about the business at this time.




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