

**SEPL/SE/May/20-21**  
**May 29, 2020**

**The General Manager**  
**Corporate Services/Listing Department**  
BSE Limited  
Floor 25, P.J. Towers,  
Dalal Street,  
Mumbai – 400 001  
**Scrip Code: 501423**

**Sub : Impact of COVID-19 on business of the Company**

**Ref : Regulation 30 of the SEBI Listing Regulations, 2015**

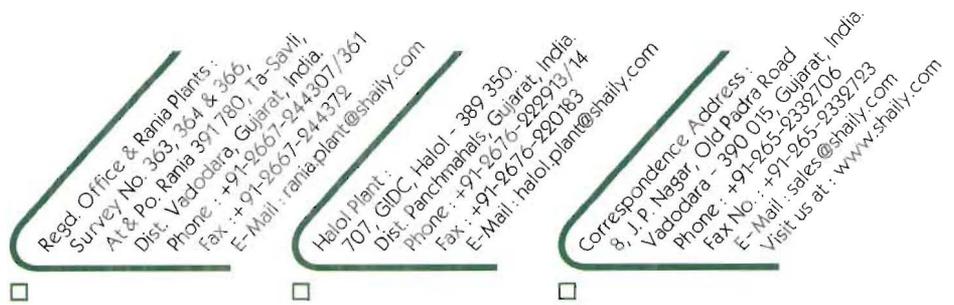
**Dear Sir/Madam,**

The spread of COVID-19 has severely impacted business around the globe. In many countries including India, there has been severe disruption to regular business operations due to lock-down, disruptions in transportation, supply chain, travel bans, quarantines, social distancing and other emergency measures. 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 business and the business operations at Shaily Engineering Plastics Limited have been no exception to this.

Pursuant to 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 with reference to our earlier relevant disclosures on the subject, following are the brief details relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the operations of the Company:

1. **Impact of the COVID-19 pandemic, schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations:**
  - a. **Impact on Business Operations:** The Government of India in order to contain the spread of the COVID-19 pandemic announced a nationwide Lockdown in March 2020. Accordingly, we suspended operations at all our facilities viz. Rania and Halol. This had a significant impact on our operations during the last 10 days of March 2020 and upto April 22, 2020 until our operations partially resumed at both the facilities. Production and supply of goods commenced on 22<sup>nd</sup> March at our Pharma facility on limited basis, located Rania, Vadodara, Gujarat and rest of the plants started from 23<sup>rd</sup> April 2020, also on limited basis after obtaining for necessary permissions.





Our facilities are currently operating at partial capacity, keeping in view of the government regulations and production will be enhanced in a phased manner.

We have undertaken all safety measures to ensure health, safety and wellbeing of all our employees as well as put in place SOPs and guidelines as per state government directives to prevent the spread of Covid-19 and are following increased protocols to ensure our people are safe and secure.

- b. **Office in India:** Our registered office at Vadodara, Gujarat and all other locations were closed as per the lockdown directives issued by the Government authorities. Safety and well-being of our employees has always been paramount to us. During the COVID-19 pandemic, company undertook several measures to ensure their well-being. Most of our staff have been working from home. Digital medium of communication has been used extensively and the organization has evolved to work under this new normal.
- c. **Labour availability:** Company's labour force constitutes of local labours hailing from neighbouring villages.
- d. **Raw Materials:** Company has been closely working with all the vendors to resume & align production schedules and de-bottleneck supply chain concerns. We foresee no major impact on manufacturing on-account of non-availability of raw materials
- e. **Financial resources, profitability and liquidity position:**

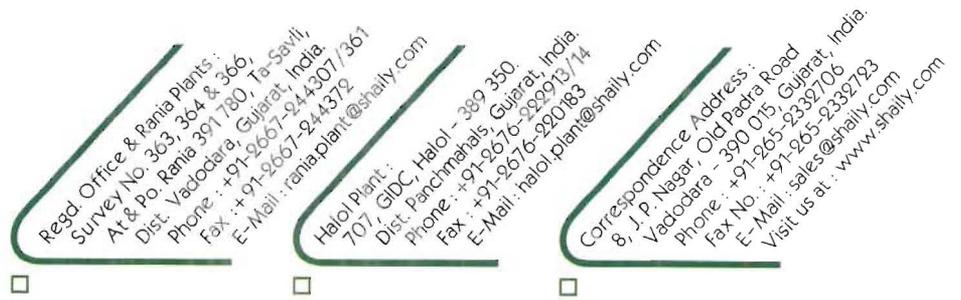
The Company has made detailed assessment of its liquidity position for the next one year and of the recoverability and carrying values of its assets comprising Property, Plant and Equipment, Intangible Assets, Finance Lease Receivables, Trade Receivables and Inventory as at the balance sheet date and has concluded that there is no material adjustments required in the Financial Statements.

The assessment includes checking and monitoring sales forecast for all major clients, reassessing internal capabilities to meet the forecast and also making sensitivity analysis on operating cashflow for adverse impact assumptions on COVID-19.

Management believes that it has considered all the possible impact of known events arising from COVID -19 pandemic in the preparation of the financial Statements. However, the impact assessment 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 conditions.

The Company is currently in a comfortable liquidity position to meet its financial and other commitments. Company will continuously evaluate the liquidity situation and take appropriate steps to ensure a stable financial





position. Due to the suspension of operations there has been significant reduction in revenues and which in turn has adversely impacted profitability. Company has undertaken various cost savings initiatives to conserve cash in such critical times.

**f. Impact of COVID — 19 on Q4 FY2020 performance :**

Covid—19 began impacting our normal business Operations on 14th March 2020 by affecting our supply chain and our ability to ship. As a result, we lost sizable revenue due to disruption leading to lower profits for the quarter as compared to forecasted. The carbon Steel project which was to have been commissioned in Mar 20 was delayed due to Covid 19. The plant was expected to be start trial production in Q4 FY20 is now scheduled in Q1 FY20.

2. **Estimation of the future impact of COVID-19 on its operations:** The company is not in a position, to gauge with certainty, the future impact of COVID-19 on its operations. However, our business model is built on various customers, across product segments and geographies and therefore we remain optimistic to sustain the near-term challenges.
3. **Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:** The Company is well positioned to fulfil its obligations and existing contracts/arrangements.

This update is dynamic and may change as the situation changes. The company will provide an update on the situation in case of any major change.

This is for your information and records.

Thank You.

**For Shaily Engineering Plastics Limited**

  
**Chintan Shah**  
Chief Financial Officer

