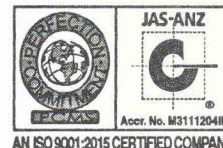


# METAL COATINGS (INDIA) LTD.

Works II : 113, HSIIDC Indl. Estate, Sector - 59, Faridabad - 121 004

Phones : 09999972371, Fax : 0129-2307422



Date: 31<sup>st</sup> May, 2020

To,

**The Manager (Listing)**

**BSE Limited**

Phiroze Jeejeebhoy Towers

1<sup>st</sup> Floor, Dalal Street

Mumbai- 400 001

**Sub.: Disclosure of material impact of COVID – 19 pandemic on the Company**

**Ref.: Scrip Code – 531810; Scrip Id – METALCO**

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20<sup>th</sup> May, 2020, the disclosure of material impact of COVID-19 pandemic on the operations and performance of the Company is as follows:

## **1. Impact of the COVID-19 pandemic on the business**

The Company had temporarily suspended its operation at its administrative office and its manufacturing facility situated at Delhi and Faridabad w.e.f. 22<sup>nd</sup> March, 2020 due to the lockdown. However, we got permission on 5<sup>th</sup> May, 2020 from concerned authorities, subject to fulfillment of certain conditions and guidelines issued by the Government, to partially start manufacturing operations.

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

We are currently operating in 1 shift at our plant situated in Ballabgarh although we are facing some migrant labour issues. Our administrative office is also functioning. We are observing full compliance to the conditions of operating stipulated to avoid any infection due to COVID-19. However, the Registered Office of the Company located at New Delhi has not been started yet due to the sealing of the state borders but employees are working from home.

## **3. Schedule, if any, for restarting the operations**

As informed, partial operations at our Ballabgarh manufacturing plant and our administrative office in Faridabad have been resumed and we are scaling up production capacity gradually. However, the Registered Office of the Company located at New Delhi has not started yet due to the sealing of the state borders.

## **4. Steps taken to ensure smooth functioning of operations**

We are taking preventive measures like social distancing, temperature testing, providing masks and sanitization facility to all workers, staff etc. to avoid any infection due to COVID-19. We have sufficient availability of raw materials to meet the production requirements.



**5. Estimation of the future impact of the COVID-19 on its operations:**

It is very early to assess the future impact of COVID-19 with reasonable certainty, however, we are started getting orders in the domestic market and we are dispatching the same. With the opening of domestic market post lockdown, we expect business to improve gradually.. We estimate improvement in business from the 2<sup>nd</sup> quarter and expect normal business from the 3<sup>rd</sup> quarter. Though there may be some impediments in scaling up in terms of availability of workmen due to migration of workmen in past weeks. Given the uncertainty because of COVID-19, the final impact on the Company's operations in future may differ from that estimated.

**6. Details of impact of COVID-19 on Company:**

- **Capital and financial resources** – We have adequate working capital to meet business requirements.
- **Profitability** – Profitability for the Quarter 1 (April, 2020 to June, 2020) is likely to be affected due to the lockdown and partial manufacturing capacity. However, it is expected to gradually improve from the Quarter 2 (July, 2020 to Sept, 2020).
- **Liquidity position** – We have adequate liquidity to tide over the current difficult period. We continue to be extremely vigilant with our liquid positions and monitor them on an on-going basis. We are confident we will weather this storm and come out leaner and stronger.
- **Ability to service debt and other financing arrangements** – Company is capable to service all debts as and when due. It has not availed any moratorium.
- **Assets** – As of now, there is no CAPEX requirements.
- **Internal Financial Reporting and Control** - Internal Financial Reporting and Control are fully functioning.
- **Supply Chain** – COVID-19 pandemic has halted the operations worldwide and there might be supply disruptions, if the pandemic is prolonged.
- **Demand for its products/services** – We expect demand to improve post lockdown, however, it will take time to establish.

**7. Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the Company's business:**

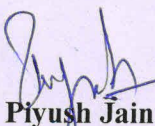
The Company does not have any such contracts/agreements, which may have significant impact on Company's business.

The Company is continuously assessing the future impact of COVID-19 on the other aspects of its business and it will update on these issues by/during the time of publishing the quarterly and/or annual financial results.

Thanking you.

Yours faithfully,

**For Metal Coatings (India) Limited**

  
**Piyush Jain**

**Company Secretary and Compliance Officer**

