

# Rapicut Carbides Limited

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An ISO 9001 CERTIFIED COMPANY

CIN : L28910GJ1977PLC002998

PAN No. AAACR8753N

To,  
Corporate Relations Department  
BSE Limited  
Phiroze Jeejeebhoy Tower,  
Dalal Street, Mumbai- 400001.

Date: 5<sup>th</sup> June, 2020

REF: RCL:KMS:BSE:IMPACT-COVID/2020

Subject: Impact of Covid: 19 pandemic on the Business.

Scrip Code- 500360

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015, we hereby inform you the impact of Covid: 19 pandemic on the Business:

• Impact of the CoVID-19 pandemic on the business:

- *It is estimated that compared to previous year ( Rs.33.6 Crores) ie., 2019-20, sales will see a drop of 12% - 15% in the Financial Year April-20-Mar-21.*
- *Expected turnover will be about 30 Cr. subject to our being able to secure orders from two Government organizations viz (1) Neyveli Lignite Corporation Limited (NLC) : estimated Rs.3.5 Crores and (2) Heavy Alloy Penetrator Project (HAPP) : estimated Rs.6 Crores.*

• Ability to maintain operations including the factories/units/office spaces functioning and closed down:

- *During lockdown period, all activities were totally closed.*
- *Management is geared to commence and maintain operations subject to the Government directives in force for the time being.*

• Schedule, if any, for restarting the operations:

- *Production re-started on 03.05.20 at about 25% capacity.*
- *From 18.05.20, production stepped up to 50% capacity.*
- *In re-starting the activity, Management is following the Government directives in force.*

• Steps taken to ensure smooth functioning of operations:

- *Prior to re-starting production preventive maintenance was carried out of all machines.*
- *All the safety instructions and conditions relating to Covid are fully & efficiently implemented inside the factory like mask wearing, social distancing, sanitizing etc.,*
- *Full time Safety officer is appointed for training the workforce at all levels and monitoring their safety.*
- *As stated above, Masks are provided to everyone, sanitization of production shops and office areas, sanitization of vehicles and materials coming into the factory, sanitization tunnel for the people coming from outside and entering the factory, temperature check by non-contact thermometer etc... is strictly practiced.*
- *Around 10% employees are allowed to work from home.*
- *Out-of-district employees are not allowed to attend duty.*
- *Working time allowed by govt is 7.00AM to 7.00PM, which is since revised from 5 AM to 9.00 PM, and this is adhered to.*

• Estimation of the future impact of CoVID-19 on its operations:-

1. Capital and financial resources:
  - *It is estimated that enhancement in working capital support ie., by way of C.C. limit will be required up to Rs.1.5Cr. in the first instance.*
2. Profitability:
  - *At the above said level of operations an estimated loss of Rs. 2.0/2.5 Cr for the Financial Year 2020-21 is likely to result.*
3. Liquidity position:
  - *Will need additional working capital loan from bank of around 1.5Cr. as stated above.*
4. Ability to service debt and other financing arrangements:
  - *No significant impact on debt servicing ability of the Company is apprehended.*
5. Assets:
  - *No impact*
6. Internal financial reporting and control;
  - *No impact*
7. Supply chain:
  - *No impact on procurement of imported as well as local raw materials.*
8. Demand for its products/services:
  - *Overall demand may be subdued due to truncated working of mines for want of adequate labour force post return of migrant labour to their home towns. This aspect is relevant for our Company as a variety of mining products manufactured by us contribute close to 55% revenue of the Company.*
  - *Surface transportation / logistics taking more time to get streamlined.*
9. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:
  - *No significant impact*
10. Other relevant material updates about the listed entity's business:
  - *Labor costs would almost certainly increase.*
  - *Adverse impact on raw material cost owing to unusual volatility in Foreign Exchange Rates.*
  - *Increase in cost of all material inputs.*

Kindly take note of the same.

Thanking you,

For Rapicut Carbides Limited

  
Kamlesh M Shinde  
Company Secretary & Compliance Officer.

