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PAN No.: AAACR6149L
CIN : L27100MH1973PLC 016617
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An ISO 9001, ISO 14001 & OHSAS 18001
Certified Company



2nd June, 2020

BSE Ltd
The Department of Corporate Services
Phiroze Jeejeebhoy Towers
Dalal Street - Mumbai 400 001

National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai - 400051
Fax. No: 022-26598237/38, 022-26598347/48

Security Code No. : 504614

Symbol: SARDAEN

Series :EQ

Dear Sir,

Sub: Impact of CoVID-19 pandemic on the company

Ref: SEBI Circular NO. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May 2020

Dear Sir/Ma'am,

Pursuant to Regulations 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May 2020, we would like to submit the following information:

1. Impact of the CoVID-19 pandemic on the business

The manufacturing operations were affected from 22nd March, 2020 and shutdown from 25th March to 16th April 2020. From 16th April steps were taken to restart the manufacturing facility in a phased and synchronized manner keeping in view the restrictions imposed by the Government, availability of resources, logistics and demand for end products. The plants have reached to near normal capacity by 3rd week of May 2020. In the first quarter FY 21, the Company expects to achieve 60%-90% production of different products YoY. Performance of hydro power business is better as compared to the previous year.

The pandemic may affect mining of ores, which may have a bearing on pricing. Passing on the price will depend on market condition. Demand will depend mainly on govt. infrastructure projects and other stimulus provided by the Govt.

2. Ability to maintain operations including the factories/units/office spaces functioning and closed down:
Barring unforeseen circumstances, the Company expects to maintain operations at normal level for rest of the year. In most of the verticals the company expects to achieve /cross previous year's production.

3. Steps taken to ensure smooth functioning of operations:

Before restarting the operations, the Company has followed all the directives that have been issued by the Central Government, the State Government and the local administration. It is also in compliance with all the medial, health, safety and social distancing guidelines for the safety of all the employees and other stakeholders of the Company. At all the locations necessary arrangements of sanitization, screening, etc., have been made and are continuing. The company also promoted work from home to have reduced manpower in offices, wherever practicable.

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

The Company does not foresee much impact on its operations. Pricing will depend on demand. So far prices of most of the products have remained better than the levels prior to the shutdown.

5. Details of impact of CoVID-19 on the Company's capital and financial resources:

- a. **Profitability-** The profitability of Q4FY20 was adversely affected on account of fall in production, sales, value of INR and the value of investments. Profitability of Q1FY21 will also be affected on account of lower production and sales due to lockdown. The Company expects to achieve normal operations/profitability from next quarter without much impact of Covid-19. However, other market factors may impact the profitability. Fall in the interest rates will result in reduction of finance cost.
- b. **Liquidity position-** The Company has sufficient liquidity to meet its obligations and for smooth operations. The Company has not opted for moratorium on its debt service obligation. However, subsidiaries of the company have opted for moratorium.
- c. **Ability to service debt and other financing arrangements:** The Company and its subsidiaries do not foresee any problem in meeting their debt obligations on time. Full financing arrangement is in place for ongoing projects. The company is hopeful of refinancing part of loans at better pricing during the current financial year.
- d. **Assets -** Company has taken suitable insurance covers and has secured it all the assets. The Assets are in working condition.
- e. **Internal financial reporting and control:** The Company has a robust internal financial control system. It has also a system of regular internal audit. There is also a system of continues review of policies and procedures to make them more effective according to the time and circumstances.
- f. **Supply chain:** There is no material disruption to the supply chain affecting its operations. However, effect on mining of ores may have a bearing on pricing.
- g. **Demand for its products/services:** The Company has sufficient demand for the products manufactured by it and expects the same to continue.

6. 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 material Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on its business

7. Other relevant material updates about the Company's business.

No other material information. The Company shall keep updated in case of any material development.

You are requested to take the same on records and disseminate the same for the information of the stakeholders.

Thanking you,

Yours faithfully
For Sarda Energy & Minerals Ltd.


Company Secretary