SUPREME
Engineering Limited
Formerly Known as Supreme Heatreaters Pvt. Ltd.

CIN NO. L99999MH1987PLC043205

**SEL/CA//NSE/20-21/1**
**Date: 12.06.2020**

To,
The Manager,
National Stock Exchange of India,
Exchange Plaza,
C-1, Block G, BKC
Bandra (E ), Mumbai - 400 061

**Sub: Disclosure of Material Impact of COVID-19 Pandemic- Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015:**
**Ref No.: SEBI Circular dated May 20, 2020- SEB1/HO/CFD/CMD1/CIR/P/2020/84**

Dear Sir/Madam,
With reference to the SEBI Circular No. SEBI/HO/CFD/CMDl/CIR/P/2020/841 dated May 20, 2020 and in line with the requirements of Regulation 30 of the Listing Regulations, requisite disclosure pertaining to the material impact of Corona Virus Disease ("COVID-19") pandemic is as under:

1. **Impact of the COVID-19 pandemic on the Business:**

In view of the nationwide lockdown and restrictions due to COVID-19 Pandemic, the business has been hit severely and it has posed challenges to the operations of the business of the Company. The Operations at both the units Rabale and Khopoli were suspended since Wednesday, 25th March 2020 till 3rd week of May 2020. Various restrictions related to operations and mobility have impacted the Company's business and resulting effect on revenue and profitability. Hence, the pandemic has impacted production and business operations during lockdown period and thereafter.

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

The Company's registered Office is situated at Rabale, Navi Mumbai – 400 701 and another unit is situated at Khopoli, Raigad. Before the announcement of the nationwide lockdown the Company had opted 'work from home' for some employees thereby ensuring seamless operations, reporting and controls. Subsequently, to ensure this, after taking approvals from the Government, operations at the units have been resumed with reduced workmen and staff as per the directives from third week of May, 2020 at both the units.

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

The plants at Rabale and Khopoli re-started its operations in May,2020 at full capacity following the guidelines and norms of the Government. The Company has also taken various cost cutting measures to sustain the operations and to optimize the use of its financial resources.
The Company has adopted the provisions of the Standard Operating Procedure (SOP) in line with

announcement of the Ministry of Home Affairs, Government of India and was cautiously planning its operations in line with the directives issued by the Government and the regulatory bodies from time to time.

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

The Company is taking utmost care of its staff deployed at its Registered Office and Factory units, various precautions and safety systems have been implemented with appropriate training to staff including following of strict social distancing norms, sanitization while entering the premises, mandatory wearing of face mask, encouraged the staff and workers to install Aarogya Setu App. Standard Operating Procedures (SOP) have been prepared and communicated to all concerns.

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

Due to disruption in the operations owing to the nationwide lockdown, the revenue and profitability have been adversely impacted for the 1st quarter of F.Y. 2020-2021.Consequently, there was steep fall in demand mainly in April and May,2020. We are likely to neutralize the impact of COVID-19 on business for April and May 2020 in 2nd Quarter of F.Y. 2020-2021. With the easing in lockdown restrictions, the Company has started dispatching the products.

6. **Details of impact of COVID-19 on listed entity's capital and financial resources, profitability, liquidity position, ability to service debt and other financing arrangements, assets, internal financial reporting and control, supply chain, demand for its products/services:**

The Company's capital, financial resources have been significantly affected. There have been constraints in liquidity and cashflow, prolonged cycles of receivables, increase in inventories which resulted in elongated working capital cycles. The Company has welcomed the move of extension of the moratorium period on payment of installments by RBI. To tide over the working capital gap, the Company has availed loan under CESS (COVID Emergency Support Scheme) from Bank of India.

None of the Assets of the Company have been impacted or impaired by the COVID-19.

Due to imposition of restrictions on movement across the country, there has been some impact on supply chain, but it will normalize with the easing of restrictions. We are hopeful that relaxations in lockdown will alleviate the disruption in supply chains.

There was a plunge in demand of products in past 2 months due to the lockdown, but the Company will tend to witness growth in demand in 2nd quarter of F.Y. 2020-2021. The Economic support given by the Government by disallowing global tenders in Government procurement up to Rs. 200 Crores will give a boost to domestic suppliers especially MSMEs like us which will in turn result in more tenders in hand of the Company. The Company will get more opportunities in the Central and state governments' procurement and work tenders under ₹200 crore.

Unfortunately, COVID-19 has adversely impacted the industry and the road to recovery will be a bumpy ride but we remain optimistic in terms of demand revival in the coming quarters of F.Y. 2020-2021. The Company is monitoring the situation and will further update on the matter as and when required.

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

The Company does not foresee significant impact in respect of its existing contracts and agreements where the non-fulfilment of obligations by any party would lead to any material financial claim by or against the Company.

**8. Other relevant material updates about the listed entity's business**

There is no other relevant update about the business of the Company. However, the Company is monitoring the situation and will further update on the matter as and when required. The Company shall keep all its stakeholders informed as and when any material development takes place which may have a significant impact on the Company.
Kindly take the above information on record.

Thanking you,

**For Supreme Engineering Limited**

**Sd/-**
**Sanjay Chowdhri**
**Managing Director**
**DIN: 00095990**

**Note:**

1. Due to the outbreak of COVID-19 and restrictions in free movement, this document has been submitted to the Stock Exchange with "Sd/-"

2. Details of the Concerned Person submitting the intimation:

   **Name- Mr. Abhinav Chowdhri**
   **Designation- Executive Director**
   **Contact Number- +91 9820454865**