



# STANPACKS (INDIA) LTD.



WE SHARE OUR JOY

AN ISO 9001 : 2015 COMPANY

CIN : L36991TN1991PLC021888

SSE/2020-2021/

01.07.2020

Bombay Stock Exchange Limited,  
Phiroze Jeejeebhoy Towers,  
25th Floor, Dalal Street,  
MUMBAI-400 001.

Dear Sirs,

**Sub: Intimation of Impact of COVID 19 Pandemic on the Company**  
**Ref: Scrip Code – 530931**

Pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20.05.2020, following are the brief details relating to the impact of the COVID-19 pandemic on the operations of the Stanpacks (India) Limited, which is manufacturer of PP/HDPE bags. This is further to our communication dated 05.05.2020 and 21.05.2020 regarding resumption of business activities.

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

The lockdown was enforced by the Government of India with effect from 23<sup>rd</sup> March, 2020 to contain the spread of COVID 19 in the country has marginally affected the operations of the Company as the office and manufacturing unit was not operating in full force. Since, the Company is engaged in services incidental to the essential services, the Company received permission from the authorities to start operations in the month of April for supplying goods to entities engaged in essential services alone. The Company had complied with all precautionary measures as per the Government's directives provided from time to time during its operation at the time of lockdown. With gradual relaxations being given by the Central Government in the month of May, the Company had increased its manufacturing operations by improving its production capacity which was still below its actual capacity.

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

The employees of the Company can be majorly classified into employees engaged in production and employees engaged in administration of the Company. During the initial period of lockdown employees engaged in administration were working from home and the employees engaged in production were working in the factory as per the requirement to aid the industries involved in providing essential services. During mid May when lockdown was relaxed, the Company opened with minimum number of employees engaged in administration working from the office as per the guidelines of the Government. The Company operated with marginal increase in the number of employees engaged in production since the workers in nearby places could also commute to the factory and work. Subsequent to announcement of

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lockdown by the State Government of Tamil Nadu again from 19<sup>th</sup> June 2020, the employees engaged in administration are asked to work from home until the lockdown is relaxed. Whereas the number of employees engaged in production are working to that extent to cater the requirements of industries involving in essentials services.

As stated above post the relaxation in lockdown from the month of May the manufacturing unit is operating with reduced workers since some workers have gone back to their home town due to COVID. All the guidelines in Government SOP are strictly followed including that of commuting the workers from home with social distancing norms, sanitizing the factory premises and vehicles regularly, employees wearing face masks have been made compulsory, thermal screening is done while entering and exiting the premise of the factory and awareness stickers have been affixed in several places inside the factory, etc. While all these measures has also increased operational cost of the Company.

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

The Company as per the intimation to stock exchange dated 05.05.2020 had partially resumed its operations for purpose of essential services alone. And after the lockdown was gradually relaxed in May the production was increased with more workers resuming to the work and same has also been intimated to stock exchange dated 21.05.2020.

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

To ensure that operation of its manufacturing unit is not affected Company is putting in place all the protocols as per the guidelines issued by Central/State Government for safety of the workers.

Further as stated above workers are given accommodation by the Company nearby its unit to ensure that they are able to report to work without any hindrances.

The employees engaged in administration of the Company are provided with required facilities to work from home. Only employees as much as required are allowed to work after receiving required permission from the local administration.

### **5. Estimation of the future impact of CoVID-19 on its operations and profitability:**

Due to lockdown the manufacturing unit of the Company was running with reduced number of workers till April marginally affecting the production. The production picked up gradually in the month of May after some relaxations. Unit is now being operated with workers who are available since some have gone back to their home town. Considering all the factors stated above, it is likely that there shall be an impact to some extent in the revenue and profitability for Q1 of the financial year 2020-21.

Since the current business environment is very uncertain it is difficult to predict future business impact. But the Company has taken many strategic decisions to face the changing business environment including

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the cost cutting measures. Our Company being an MSME, would like to make use of the benefits provided by the Government of India in its stimulus package, especially the schemes provided to the MSMEs. Company believes these measures will improve profitability of the business in the time to come.

## 6. Details of impact of CoVID-19 on listed entity's capital and financial resources:

- a) **Liquidity position:** The Company's current liquidity position is strained, but manageable, to service debt and other financial arrangement. The cost cutting measures implemented by the Company will further add to the liquidity in a longer duration.
- b) **Assets:** There is no material impact on the carrying amount of Company's assets.
- c) **Demand for the products:** With many businesses resuming their operations particularly the Company is also ramping up its production capacity to meet the demands for the customers. We expect more orders from domestic companies as they gradually open up the business. However, the current situation may not help the Company with its exports. We are already supplying orders to businesses in the essential services where the demand has been decent. There are negotiations with some of our regular customers on how to engage going forward without affecting the profitability of both sides. It is expected to take some more time for the sales to reach the desired level as the crises still evolves.
- d) **Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business:** The Company is engaging with all the customers to manage the current situation and we doesn't see any significant impact on the business due to non-fulfillment of obligations by any party. The Company is well positioned to honor the obligations of existing contracts/agreements.

You are requested to take note of the same in your records for the purpose of further dissemination.

Yours faithfully,

For Stanpacks (India) Limited

*P. Anup*  
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Company Secretary and Compliance Officer

Mobile – 9840726466



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