



June 25, 2020

Corporate Relationship Department
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai 400 001

Sub: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

The lockdowns and restrictions imposed on various activities due to COVID – 19 Pandemic, while being a necessary measure to contain its spread, have also posed unprecedented challenges to all businesses and the business operations at Multibase India Limited (hereinafter referred to as the “Company” or “Multibase India”) have been no exception to this.

Pursuant to Regulation 30 of Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May,2020 and with reference to our earlier relevant disclosures on the subject, following are the brief details relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the operations of the Company:

1) Impact of the COVID-19 pandemic, schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations:

• **Operations across India:**

- All the operations were disrupted since mid of March,2020 and the Company saw partial resumption since end of April,2020. The Company has now opened the manufacturing site after taking requisite Government permissions.
- The Facility has been sanitized so that our people are safe and secure. All safety protocols of temperature sensing, wearing of masks, safety gears (masks, goggles, face shields), social distancing, sanitizing and washing hands are being adhered to very stringently.
- COVID19 Pandemic has had an impact on the Multibase business as there was a sudden shut down of industry. While we were beginning to see a little bit of a revival in the first couple of months of the calendar year after a relatively slow 2019, things came to a grinding halt in the end of March 2020. All industries that we serve, including automotive were severely impacted. While we were able to get our plants operational as soon as local Governments permitted demand was very poor and a fraction of what it usually is. The last week of March 2020 and subsequent months are impacted and have not shown much recovery. A climate of uncertainty still prevails as consumer spending is low, which has led to poor demand for Multibase as with several other

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industries and the Company estimates in reduction of overall sales for FY 2020-21, though the quantum of reduction due to this pandemic cannot be gauge now.

- The Domestic and International markets where the Company operates have been impacted to varying extent based on the spread of the pandemic and the restrictions on business activities placed by the respective Government authorities in these states and Countries. At this point in time, the duration for which these restrictions will remain in place is uncertain and resumption of full-fledged operations will depend upon directives issued by the respective Government Authorities. There is Disturbance in logistics due to port congestions, Lead time has increased due to transportation restrictions. In order, to mitigate this the Company is constantly reviewing the demand and supply forecasts. Further, the Company has maintained enough inventory to manage the lead time. The Company's major customer base is in Automobile Industry and are in the impacted states of Maharashtra, Tamil Nadu, Delhi, Gujarat, Rajasthan.
- The Company has taken all necessary steps to adhere to the guidelines for social distancing provided by Ministry of Home Affairs along with the various directives issued by relevant Government authorities and has put in place safety measures keeping in mind safety, health and well – being of the employees and other stakeholders at manufacturing facility. The Company has even kept an Isolation room in emergency situations (if required) available and enough PPE stocks is in place
- Our Corporate & Sales Office in Mumbai are closed in accordance with the Government directives and/or as a precautionary measure.
- **Customers:** Consumer confidence and spending has to start again for things to get back to normal. We do not expect a “V” shaped recovery rather we foresee a prolonged recovery. This would mean it will take some time for demand to get back to normal pre COVID19 levels. With muted demand we will have to streamline our production to balance with the demand in the market. The Company does not expect any long-term impact on its business operations and need to adopt to the current situation temporarily.
- **Employees:** Amidst the crisis, the safety of our employees has been our top-most priority and the Company has taken several measures to ensure their well-being. All employees in our offices have been working from home in accordance with the guidelines issued by the Central/State/Municipal authorities. The safety of employees who are now required to step out for work is being ensured and they have been mandated to use protective gear and take all safety precautions. All employees have been instructed to download the Aarogya Setu app

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launched by the Government of India. We have curtailed the number of employees working at the plant and the warehouses at a time. Majority of employees continue to work from home.

- **Support to Government/ Society efforts in tackling COVID 19 pandemic:**

The Company in its efforts to aid the community at large, has also contributed towards COVID – 19 Relief Fund to combat this pandemic.

- **Financial resources, profitability and liquidity position:**

The Company is in a comfortable liquidity position to meet its commitments. The Company has also implemented various control measures across the organization to conserve cash to address any evolving situation resulting from the pandemic. The Company does not foresee any challenge in realizing/recovering its assets. The Company is also in constant touch with its key vendors / Customers and is working with them to mutually partner each other to propel the business forward.

2) Estimation of the future impact of COVID-19 on its operations:

Considering the fact that the situation is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty, the future impact on its operations. In our opinion, it would take about few months after lifting up of all lockdowns, for demand to normalize and business to attain pre COVID19 normalcy levels. At this point it is difficult to assess when all lockdowns will be lifted. However, things are moving in the right direction with more and more relaxations being given after each phase. We do hope that by end of 2020 or first quarter of 2021 we may be closer to pre COVID19 levels of demand and a more normal business environment. We expect normal levels of competition and pricing pressure post COVID19, so no real shift in strategy on that count.

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3) Existing contracts / agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:

The Company is well positioned to fulfil its obligations and existing contracts/arrangements. At present, we do not foresee any contract/agreements which will have significant impact on the business in case of non-fulfilment of obligations by any party and is in a position to honor all agreements with its Vendor and Customers currently.

This is for your information and records.

Thanking you,

Yours faithfully,

For **Multibase India Limited**



Sunaina Goraksh
Company Secretary

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