

August 10, 2020

To,
Department of Corporate Service
BSE Limited,

Registered Office : Floor 25, P. J. Towers,
Dalal Street, Fort, Mumbai 400001, MAHARASHTRA.
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Subject : Disclosure of material impact of COVID-19 pandemic on the Company under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements [LODR]) Regulations, 2015

Reference : Centenial Surgical Suture Ltd. | Scrip Code: 531380


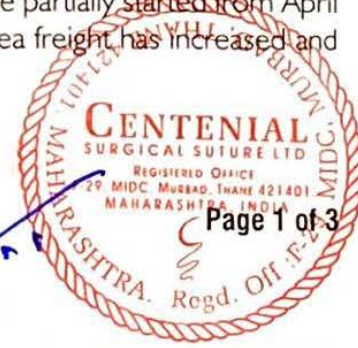
Madam | Sir,

With reference to SEBI Circular SEBI / HO / CFD / CMDI / CIR / P / 2020 / 84 dated May 20, 2020, read with Regulation 30 of SEBI (LODR) Regulations, 2015. We would like to inform you that the Government of India's notifications for Lock down from March 22, 2020 to contain spread of COVID-19 disease. We as a responsible corporate entity were utmost concerned about the health & safety of all our employees, stakeholders and their families. Accordingly, we extended our full support and cooperation to said lock down and the registered office and manufacturing units followed guidelines as issued from time to time.

Pursuant to Regulation 30(3) of the SEBI (LODR) Regulations, 2015, disclosure and information that the Company considers disclosing, subject to the application of materiality, given below:

I. Impact of the COVID-19 pandemic on the business:

The Company's manufacturing facility were shut from March 19, 2020 due to lockdown and was re-opened on and off from April, 2020 with 30% to 50% employees and 50% to 70% working capacity, which has impacted its operations during April and July 2020. Some of the Company's pending orders are on hold as per requirements of buyers. However, process to dispatch domestic orders and export orders were partially started from April 19, 2020. Further due to COVID-19, Air and Sea freight has increased and its reflection on import costing & export sales.

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2. Ability to maintain operations including the Factories / units / office spaces functioning and closed down : (Schedule, if any, for restarting the operations)

Company has restarted its operations from April, 2020 with 55% employees and 60% working Capacity, adhering to the safety norms prescribed by the Government of India.

3. Steps taken to ensure smooth functioning of operations:

The Company is taking utmost care of its staff and work force like sanitisation, social distancing, mandatory mask wearing, thermal check at the gate, maintaining proper hygiene. Further, the Company has also arranged living place and food for the workers who are traveling from other places to the manufacturing facilities.

Supply chain is being monitored to ensure availability of medical devices. We have taken cash flow, capital expenditure and overhead control measures to smoothly manage our operations.

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

Since the manufacturing facilities have started after lockdown, till July 31, 2020, we were working with 80% employees and 60% capacity, due to this, Company's revenues are declined upto 60%, and also cost of the Company has increased which has adversely impacted the profit of the Company.

As the business situation is very dynamic, the Company is closely monitoring it. Though we do hope the business situation should normalize in 9 to 12 months.

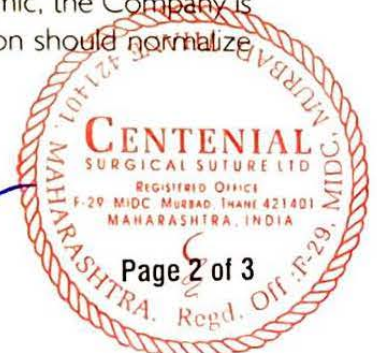
5. Details of impact of COVID-19 on the Company:

- Capital and Financial resources

The Company's Capital and Banking facilities remain intact. There are liquidity concerns as we have insufficient banking limits available. However, the Company is witnessing delay in receivable collection from buyers, as buyers are extending payment terms.

- Profitability

In view of lockdown, the profitability during 1st quarter (April to June 2020) is likely to be adversely impacted. As the business situation is very dynamic, the Company is closely monitoring it. Though we do hope the business situation should normalize in 9 to 12 months.



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- **Liquidity position**

As explained above, there are liquidity concerns as we have insufficient banking limits available. However, due to our receivable getting delayed, the cash position will have major Impact. The Company do hope cash position to be normalise by January 2021.

- **Ability to service debt and other financing arrangements**

The Company has insufficient capital limits to meet financial requirements. Though the cash position is challenging, with our limits and tight control over expenditure, the Company will be able to serve its working capital financing arrangements regularly on due dates.

- **Internal financial reporting and control**

The Company has taken Cash flow control and overhead control measures to manage the operations, weekly review mechanism adopted to review the account receivables and measures taken to control the capital expenditure.

- **Demand for its medical devices / products**

There is temporary reduction in demand due to lockdown, which will improve from January 2021.

Sincerely,

For **CENTENIAL SURGICAL SUTURE LTD.**



Vijay MAJREKAR
Managing Director & Chief Executive Officer
DIN : 00804808