



# SAARLOHA

## ADVANCED MATERIALS



SAARLOHA/HR

07 Dec. 2020

Mr. R. A. MADHAMSHETTIWAR  
3590  
I.T.

Dear Mr. R. A. MADHAMSHETTIWAR,

Our country has witnessed nationwide lock down to curb Covid pandemic nearly for 2 months from 25th Mar'20. This nationwide lock down aggravated the challenges for steel sector. Our plant was totally closed for nearly 2 months. Even after lock down was partially lifted, operations were restricted on account of inadequate demand culminating in below par performance for the first quarter.

In order to reduce losses, company initiated several cost reduction strategies such as freeze on hiring, travel and pay revision. Further cost reduction measures such as manpower rationalization and introduction of VRS, not allowing overtime, utilization of resources, etc. were carried out.

We are operating our Plant as per Covid MHA guidelines and you have diligently observed the new normal which included wearing of masks, maintaining social distancing, use of PPE Kit, frequent sanitizing and cleaning, avoiding overcrowding, etc. We request you to continue observing the new normal.

We also restructured the salary & introduced variable pay to the tune of 10 to 20 % of CTC in July'20. The payment of Variable Pay of the restructured salary was linked to pre-determined despatches of finished steel of 1,50,000 MT during FY 2020-21 and was to be paid in April 2021 on achieving targeted despatches of 1,50,000 MT during FY 2020-21.

As anticipated, economy started picking up from 2nd half of August, 2020. In the 3 and half months, there has been substantial recovery in demand for steel, which was bleak since March 2020. Automobile sector, construction sector and Engineering sector has shown growth stimulating steel demand. This has also given us an opportunity to operate with our full capacity.

We appreciate your efforts during pandemic period. We are sure that with your continued support we will achieve our despatch target of 1,50,000 T for the financial year 2020-21.

We are pleased to inform you that the deferred variable pay of the restructured salary from Jul'20 will be paid along with Nov'20 salary and the original salary structure is restored w.e.f. 1st November, 2020.

With Regards

V. Balasubramanian  
Chief Executive Officer

