



EMKAY TOOLS

EMKAY TAPS AND CUTTING TOOLS LTD.

Registered Office & factory Address: B-27 & B-27/1, M.I.D.C. Industrial Area, Hingna Road, Nagpur-440016 (India)
CIN: L29220MH1995PLC091091

May 26, 2020

To,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex
Bandra (E), Mumbai-400051

Series: SM
Symbol: EMKAYTOOLS

Sub: Disclosure pursuant to material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('LODR Regulations')/'LODR')

Respected Madam/ Sir,

In pursuance of guidelines No. 40-3/2020-DM-I(A) dated May 01, 2020 issued by the Ministry of Home Affairs, Government of India and other guidelines issued from time to time related to COVID- 19 and with permission for Collectorate office Nagpur, the company has resumed its manufacturing activities with 20-30% factory workers and office staff from May 04, 2020. Both the factory and office have been re-started.

At all times, the company has taken proper steps to ensure smooth functioning of operations in appropriate adherence to the guidelines issued by the Ministry of Home Affairs from time to time to contain the spread of COVID-19.

The Company has duly ensured appropriate sanitization of factory and workplace and workers and staff sanitization by distributing facemasks to workers, arrangement for sanitizer dispensers in factory premises and office and by maintaining and following social distancing rules at all places and levels.

The manufacturing activities were stopped from March 22, 2020, in pursuance of countrywide lockdown announced by the Government of India and Government of Maharashtra against the spread of COVID-19. Due to this during the month of April-May 2020 there was complete washout in the business activities however the management anticipate 10-20% normalization during the month of June 2020.

The company has assessed to the fair extent, the impact of ability to service debt and other financing arrangements, capital and financial resources, assets, internal financial reporting and control and supply chain and found that these will not be adversely impacted, significantly. Although, the Company is not timely receiving dues from sundry debtors inspite of that all the



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financial and tax liabilities are duly taken care off. Also, till the time the Company has not availed any additional limits nor the existing limits are over drawn from the Bank.

The existing contracts/agreements, there are no non-fulfillment of the obligations by any party that will have significant impact on the business of the company. The company is assessing the future impact of COVID-19 on its operations, profitability liquidity position, demand for its products manufactured by the company. Although since the courier services have not resumed in full swings our sales too have not resumed appropriately.

Our business is largely dependent on Automobile and auto ancillary sector and till the time Automobile industry is badly affected, in current scenario, there is no hope of revival of turnover from drop down. Our turnover will be in proportion to Auto Sector.

Further, Government measures and incentives per se Automobile industry are not sufficient enough to revive the demand. The management is not optimistic about the sales position in the coming months unless suitable measures to revive the automobile demand are taken by the Government.

We look forward for kind cooperation of all the stakeholders in this amidst situation.

Kindly request you to take the same on your record.

Thanking You,

For EMKAY TAPS AND CUTTING TOOLS LIMITED

SHRUTI RAJESH SOHANE
Digitally signed by
SHRUTI RAJESH SOHANE
Date: 2020.05.26
12:40:33 +05'30'

Sd/-

Shruti Sohane

Company Secretary and Compliance Officer