

STERLING TOOLS LIMITED

CIN : L29222DL1979PLC009668



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By NEAPS**National Stock Exchange of India Limited**

"Exchange Plaza",
Bandra-Kurla Complex, Bandra (E)
Mumbai-400051

Date: 4th June, 2020**Ref.: STL/SD/01/2020-2021****Scrip Code: STERTOOLS****Sub: Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir,

With reference to the captioned subject and SEBI circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20 May, 2020, following are the brief details of Impact of the Pandemic Covid-19 on our business operations:

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

The Government of India announced Lockdown in India to contain the spread of Covid-19 disease. Accordingly, the manufacturing and other activities were closed from March 22nd, 2020. While the lockdowns and restrictions imposed on various activities were necessary to contain the spread, it has significantly impacted the business operations of the Company. Consequently, revenues and profitability have been adversely affected.

But there have been no change in the controls and processes.

We have received special permissions to operate our Vemagal, Kolar, Plant at Karnataka with effect from May, 11th 2020 and the other three plants at DLF Industrial Area, Prithla, Palwal and Ballabgarh Plants at Haryana have been opened with effect from 18th May, 2020 but with reduced workforce and in strict compliance with the guidelines/protocols suggested by Ministry of Health and the other relevant authorities.

These facilities are currently operating at partial capacity and the production will be enhanced in a phased manner based on the directives of the Government as well as demand from Customers.

The registered office at New Delhi has not been opened yet.

The Company has developed the SOPs for the employees to work safely and with full security at workplace. All the facilities have been properly sanitized and all safety protocols of temperature sensing, social distancing etc. are being adhered to very stringently.

The Company is undertaking all the necessary measures to ensure compliance with the terms and conditions put in place by concerned authorities.



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Steps taken to ensure smooth functioning of operations

In this regard various actions have been taken considering Employees' Health and their safety. Adequate infrastructure has been developed to enable the employees to work from home as well. The Company had used this lockdown period to enhance the skills of its employees by providing online trainings and various development programs.

The Company has been closely working with the Vendors/Suppliers/Service Providers to resume their operations and align with the Production schedules to ensure smooth functioning of operations.

Impact of CoVID-19 on Company's capital and financial resources:

The Company' liquidity position is comfortable to meet its financial and other commitments. Company is monitoring its liquidity position and will continue to monitor it and if need be, will take appropriate steps to augment it further.

Due to the suspension of operations, the revenues may reduce which in turn may impact the profitability adversely.

In order to conserve cash, the Company has taken various steps/initiatives to manage its costs and to use the available resources optimally.

The Company is able to meet all its debts etc. as it comes up. Further, ICRA in May 2020 has reaffirmed rating for long-term facilities to [ICRA]AA- (with Negative outlook) and short-term facility as [ICRA]A1+, signifying high degree of safety regarding timely servicing of financial obligations.

All the assets of the Company are safe. The Company is not planning to make any substantial capex during the running F.Y.. The maintenance capex will be planned based on the requirements. All the assets of the Company are well secured and are in working condition.

Future impact of COVID-19 on its operations:

The circumstances are extremely dynamic, hence not in a position to ascertain, the future impact on its operations. However, the company is sure to adapt with the changing business requirements.

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 able in meeting its obligations and existing contracts/ arrangements. We don't foresee that any contract/agreements will have significant/ material impact on the business in case of non-fulfilment of obligations by any party.

This is for your information and records.

Yours Sincerely
For Sterling Tools Limited

Vaishali Singh
Company Secretary

