

Ref: STL/REG-30/BSE/NSE/ 2020-21/71

Dated: 17th August, 2020

To,
Department of Corporate Services,
BSE Limited
Phiroze Jeejeebhoy Towers, Dalal Street,
Mumbai – 400 001

To,
Listing Department,
National Stock Exchange of India Limited
C-1, G-Block, Bandra-Kurla Complex
Bandra, (E), Mumbai – 400 0051

Re: Intimation of Impact assessment of Coronavirus (COVID 19)

Ref.: (1) SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020; and (2) Regulation 30 (read with Part A of Schedule III) and 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

Dear Sir/ Madam,

We inform you that pursuant to the above-mentioned SEBI circular dated 20th May, 2020 and Regulation 30 of the Listing Regulations, a disclosure note on impact assessment of Coronavirus (COVID 19) on the Company is attached.

This is for your information and record please.

Thanking you,

Yours faithfully,


Subhi Gupta
Company Secretary &
Compliance Officer (Interim)
Membership No: 44467



Encl. as above

Sandhar Technologies Limited

In the light of the COVID-19 epidemic which has been declared a pandemic, the Company has been taking precautionary measures to protect the business and employees. Critical response teams have been setup across the organization to plan scenarios and respond in an agile manner to rapidly changing situation.

To ensure the safety and well-being of the employees, all recommended precautions against COVID-19 have been taken, which includes work from home policy for eligible employees, restrictions on travel, minimizing contacts in public, health advisory to employees following State and Central government directives issued in this regard from time to time.

The current circumstances are very fluid and it is not possible to estimate the impact on our business at this point of time. The Company will continue to monitor all changes as the situation evolves. The impacts on the Company due to COVID-19 are as following:

1. Impact of COVID-19 Pandemic on business

Due to COVID-19 pandemic situation, the Government had announced a country wide lockdown involving restrictions on international and domestic travel. Production at our plants was suspended for periods ranging from 45 to 55 days from 23rd March, 2020 to and mid of May 2020. Some of the Company's orders were on hold as per requirements of the customers. However, upon opening of the factories/plants no order pending for dispatch to the customers.

2. Extent of Close-down and timing of restart

The Company has restarted operations with some of the factories considering order book and available workforce Since, May, 2020 adhering to the safety norms as prescribed by Government of India. All our plants resumed in a phased manner during May 2020 with low level of activity. Upon restart, resources were channelized in our factories and our supply chain to ensure supply to our customers, as per their schedules.

3. Steps taken to ensure smooth functioning of operations

The Company is taking utmost care of its staff and work force like sanitization, social distancing, mandatory mask wearing, thermal scanning at the entry and exit gate, maintaining proper hygiene. Supply chain is being monitored to ensure availability of material. We have taken cash flow, capital expenditure and overhead control measures to smoothly manage our operations.



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

Due to the lockdown, the revenue and profitability of the Company are likely to be adversely impacted. As the business situation is very dynamic, the company is evaluating the full impact of the current situation on our business and will continuously calibrate our responses to the COVID-19 situation as it evolves. Though, we do hope that the business situation would normalize during 3rd and 4th quarter of FY'21.

5. Impact on the Company's Revenues

Consequent upon the lockdown, the Company lost revenues for approximately 9 days in FY 2019-20. Revenues in April 2020 were also NIL. Industrial activity has been resumed in the month of May, and June has seen improved volumes. We expect gradual ramp-up with restoration of normal volumes in the third quarter and probable growth in the fourth quarter of this fiscal. As explained above, it is difficult to estimate and give projections in the current environment.

6. Impact on the Company's Profitability

In order to face the challenges of lower volumes, the Company has taken various steps to curtail fixed and variable costs, capital expenditure and working capital requirements. Despite such measures, the lower volumes would have an adverse impact on the profits of the Company. It is difficult to assess the impact of the pandemic on our financial results. However, results for future quarters will be viewed against the corresponding periods of the previous year to understand this impact.

7. Impact on the Company's Liquidity and ability to service debt and other obligations

As discussed above, there are no liquidity concerns as we have sufficient internal and external sources of funds. Further, banks have offered additional limits.

Despite the lockdown, all our major customers have been regular in honouring payments due to the Company. With significant undrawn bank facilities, the Company has maintained a strong liquidity position. The current situation has not impacted the ability of the Company to meet its debt and other financial obligations.

8. Impact on the Company's assets

We believe that normalcy will be restored in the economy in the medium term. Based on current indicators of future economic conditions, the carrying value of the assets on the Company's Balance Sheet will be recovered. However, we believe that the assessment of the impact of COVID-19 will be a continuing process, given the uncertainties associated with its nature and duration.



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9. Contractual Obligations

There has been no breach of any contractual obligation by the Company or by counterparties under their contracts with the Company.

10. Impact of the pandemic on Internal Financial Reporting and Control

No impact

11. Insurance coverage for loss if profit due to the pandemic

Not covered under Insurance



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