



Steel Exchange India Limited

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July 03, 2020

To
The Manager,
Department of Corporate Services,
BSE Limited
P.J. Towers, Dalal Street,
Port, Mumabi - 400001

To
The Manager,
Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400051

Scrip Code: 534748

Scrip ID: STEELXIND

Sub: Note on Impact of COVID- 19 Pandemic on the business of the Company

Ref: Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated 20th May, 2020.

Pursuant to Regulations 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 Dated 20th May, 2020 we would like to inform you that the Company had partially resumed its manufacturing operations at factory unit situated at Srirama Puram Village, L Kota Mandal, Vizianagaram Dt. Andhra Pradesh with minimum workers.

Further, we would like to inform the stock exchanges and stakeholders of the Company about the financial impact of the pandemic Covid-19 on our business operations in terms of above mentioned circular as under;

1. IMPACT OF THE COVID-19 PANDEMIC ON BUSINESS:

Due to COVID-19 pandemic, lockdown was called by Ministry of Home Affairs (MHA) - from 24 March, 2020 and thus, operations of our Manufacturing units & Offices were closed from that day. Therefore, the financial aspects of the company were severely affected.

2. ABILITY TO MAINTAIN OPERATIONS INCLUDING THE FACTORIES/UNITS/OFFICE SPACES FUNCTIONING AND CLOSED DOWN:

The factory unit of the Company situated at Srirama Puram Village, L Kota Mandal, Vizianagaram District, Andhra Pradesh operated with limited manpower as per the guidelines issued by the Central Government, State Government and local authority.



WORKS

Integrated Steel Plant	: Sreerampuram, L.Kota Mandal, Vizianagaram District-535161. Phone : 08966-267172, Fax : 08966-267218
Power Plant & SMS	: Opp. Mandapalli New Bridge, Kothapeta, East Godavari District-533223. Phone: 08855-244400, Fax : 08855-244406
Re-Rolling Unit	: Plot No : 1, I.D.A. Edulapaka Bonangi, Paravada Mandal, Visakhapatnam-531201. Phone: 08924-247055, Fax: 08924-247685



The Company is complying with all the requirements such as social distancing, thermal screening of all employees as well as visitors, sanitizing the premises and vehicles on regular basis, asking all employees to download Aarogya Setu App and company made it mandatory to wear face mask / face cover for all employees and visitors and proper sanitization is being done between the shifts. Operations at the plant were resumed in a phased manner with effect from 08th May, 2020 with 10 to 50 percent work force. Corporate and Registered offices were open from 22nd May, 2020 with 50% of the manpower being present on rotational basis. Further, the Human Resource department of the Company has also framed the guidelines for safety and wellbeing of workers to minimize the risk and contain the spread of COVID-19.

3. SCHEDULE, IF ANY, FOR RESTARTING THE OPERATIONS:

The operations are recently started with partial/reduced capacity and are in line with the guidelines issued by the Central and State Government as well as local authority.

4. STEPS TAKEN TO ENSURE SMOOTH FUNCTIONING OF OPERATIONS:

The Company is strictly adhering with the Standard operating procedure as mandated by the MHA at all units/ factories/ offices to safeguard its employees from COVID-19 pandemic.

5. ESTIMATION OF THE FUTURE IMPACTS OF COVID-19 ON_ ITS OPERATIONS:

The Company is uncertain about its business activities in the coming months. With the complete lockdown announced by the Central Government, all industrial operations except essential activities were stopped from 24th March, 2020. Thus, government infrastructure projects and domestic construction activities were completely stopped who are the major source of business of the Company. With the ease in norms of lock down, our plant had partially resumed operations but our business is completely dependent on the demand from real estate & construction sector and infrastructure projects. However, we expect subdued operations for the current financial year with growth in the next financial year.

6. DETAILS OF IMPACT OF COVID-19:

Due to lockdown, the transportation system was completely stopped/disturbed the entire nation. Thus, procurement of raw material has been adversely interrupted. Also, movement of labour from one state to another due to COVID-19 is one of the serious issues; non-availability of skilled labor is also a big challenge for the Company due to their migration in the present scenario. However, with the unlock guidelines issued by MHA the above issues is expected to be resolved to some extent.

The Company is trying its best to deal with the situation and started the Operation with limited workforce. With addressing these challenges, timely delivery of finished products to the customers is also very crucial. The profitability of the Company is quite low at the moment due to the low level of operations.





7. EXISTING CONTRACTS/AGREEMENTS WHERE NON-FULFILMENT OF THE OBLIGATIONS BY ANY PARTY WILL HAVE SIGNIFICANT IMPACT ON THE BUSINESS OF THE COMPANY:

The Company does not foresee any significant impact on its business due to non-fulfillment of the obligations with any party as of now.

8. OTHER RELEVANT MATERIAL UPDATES ABOUT THE COMPANY:

NIL As on today

9. DEMAND FOR ITS PRODUCTS:

Though the Company is confident that as soon as the lockdown restriction will be lifted completely, the Steel demand will start picking up. However it does not foresee complete resumption during the Financial Year 2020-21.

10. INTERNAL FINANCIAL REPORTING AND CONTROL:

The Company's internal financial reporting and controls are in no manner impacted by the Covid-19 pandemic. However reporting matters are delayed due to the complete lockdown lack of movement of staff.

The above information is dynamic in nature and may change subsequently based on the change in situation, which is beyond the control of the Company.

This is for your information and record please.

Thanking You,

Yours faithfully,

For, **Steel Exchange India Limited**

Raveendra Babu M

Company Secretary & Compliance Officer

Din: 00163676



CC to: The Calcutta Stock Exchange Limited, Lyons Range, Kolkata – 700 001