



STCI Finance Limited

The Secretary
National Stock Exchange of India Ltd.,
Exchange Plaza
Bandra Kurla Complex
Bandra (East)
Mumbai 400 051

June 3, 2020

Dear Sir,

Kind Attn : Mr. Yogesh Deshmukh/ Ms. Pramilla D'souza

**Re: Intimation pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84
dated May 20, 2020**

Sub: Advisory on disclosure of material impact of COVID-19

With reference to the captioned subject, we submit the following information as required in the above mentioned circular:

Particulars	Company's response
1. Impact of the CoVID-19 pandemic on the business	New business mobilisation and fresh Disbursement is expected to be slow which may affect Loan Book growth and Revenue growth of the Company. Asset quality is likely to be under pressure as the pandemic and resultant lockdown are expected to slow down revival of businesses and in turn, customer's loan servicing capability. At present, it is difficult to ascertain the time required for return to normalcy in the business.
2. Ability to maintain operations including the factories/units/office spaces functioning and closed down;	Although head office and branch offices are closed due to lockdown, day to day operations of the Company is largely unaffected due to "Work from Home" facility with adequate technological support provided to staff members. .
3. Schedule, if any, for restarting the operations;	Day to day operations are being conducted remotely. With regard to opening up of head office and branches, the same is planned to be done in a gradual manner, by maintaining safety protocol as well as abiding by government guidelines of respective states.
4. Steps taken to ensure smooth functioning of operations;	1. Presently, "Work from home" option has been granted to all employees. 2. Technological support for uninterrupted functioning of operations. 3. Sanitization of offices including common areas such as rest rooms and pantry, installation of touch free sanitizers and thermal screeners are in place to enable seamless commencement of work without compromising on safety.

	<p>4. Frequent Sanitisation of the entire office and commonly frequented areas, is planned to be done at regular intervals daily.</p> <p>5. Staggered office timings and lunch timings are planned to maintain social distancing.</p>
5. Estimation of the future impact of CoVID-19 on its operations;	The future impact of COVID-19 on the operations of the Company is dependent on the time taken for resumption of normal activities.
6. Details of impact of CoVID-19 on the Company's a) capital and financial resources;	The Company is adequately capitalised, and our present Capital Adequacy Ratio is much above the regulatory requirements. The Company has sufficient undrawn funding lines from various banks to meet the resource requirement.
b) profitability;	The Company's profitability is expected to be adversely affected due to challenges in growing the loan book and revenue growth.
c) liquidity position;	The Company has offered moratorium to customers for instalments falling due between March 2020 to May 2020. It has started receiving requests for moratorium for further three months ending on 31/8/2020. Approximately customers representing 54% of the Loan portfolio exercised the moratorium. As against this, the Company has not opted for moratorium with any of its lenders. The Company is confident of honouring all the payment commitments on the due dates. The Company has adequate funds and liquidity lines to meet its future commitments.
d) ability to service debt and other financing arrangements;	The Company has made timely repayment of dues/payment of interest to all the lenders/investors. The Company has paid all the statutory dues within the respective due dates. The Company is confident of honouring the future commitments well on time.
e) assets;	AUM of the Company has declined due to repayments/prepayments in Loan against shares portfolio which are short term in nature. Due to severe slowdown and uncertainty in economy, inflow of new business is likely to be impacted negatively. The Company would be cautious in underwriting of fresh business due to elevated level of risk in corporate sector. The Company would focus on maintaining health of the asset book while exercising caution in loan book growth till the normalcy returns in the economy.
f) internal financial reporting and control;	The Internal Financial Reporting and Controls are sufficient and commensurate with the size of the organisation.
g) supply chain;	Information technology is in-house, hence does not impact business adversely. The company has tied up with established vendors for various other requirements.

h) demand for its products/services;	Demand for the Company's products is expected to be low because of significant slowdown in corporate sector and real estate business. The economic slowdown has impacted negatively fresh investment and commencement of new projects in most of the sectors and industries which in turn has impacted negatively the credit growth in the economy.
7. Existing contracts/ agreements where nonfulfilment of the obligations by any party will have significant impact on the listed entity's business;	The Company has fulfilled all its obligations on existing contracts/agreements. The Company has set up adequate monitoring mechanism to track the status of loan accounts which have availed of moratorium under regulatory relief. The asset quality is expected to be under pressure till normalcy returns in the economy.
8. Other relevant material updates about the Company's business.	Nil.

We request you to kindly take the same on record.

For **STCI Finance Limited**

Suparna Sharma
Company Secretary