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CIN : L29130TZ1972PLC000649
GST : 33AADCS0692L1Z7

June 9, 2020

National Stock Exchange of India Ltd,
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block,
Bandra-Kurla Complex,
Bandra (E)
Mumbai-400 051.

BSE Ltd,
1st Floor,
New Trading Ring, Rotunda Building,
P J Towers, Dalal Street,
Fort,
Mumbai- 400 001.

Stock Code: SHANTIGEAR
Through NEAPS

Stock Code: 522034
Through BSE Listing Centre

Dear Sir,

Sub: Disclosure of impact of Covid-19 pandemic on the Company- Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

We refer our letters dated 23rd March, 2020 and 6th May, 2020 respectively with regard to closure of operations arising from the COVID-19 pandemic and subsequently, consequent to relaxation of lockdown, about the resumption of operations with the approval of the Government Authorities.

In this regard, please find attached disclosure under SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020 on the impact of COVID-19 pandemic on the business operations of the Company, as perceived at this point of time.

Please take the above on your record.

Thanking you,

Yours faithfully,
For **SHANTHI GEARS LIMITED**


C. Subramaniam
Company Secretary

Encl: As above



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Disclosure on the Impact of the COVID-19 pandemic

Operational Impact:

Consequent to the outbreak of the COVID-19 pandemic and the lockdown/curfew introduced by the Central and State Government, the operation in the Company's manufacturing plants had to be shut down from 23rd March 2020. From the first week of May 2020, the Company has resumed operation in a gradual manner and the plants are in operation, at present.

To facilitate ease of resumption:

- The plants were sanitized at regular intervals during the lockdown period;
- All the equipment was properly shut down and proper check list put in place for the precautions to be taken before restart of equipment;
- All safety aspects are taken care with respect to screening of the employees before entering the factory. Medical facilities are made available across all locations;
- Training programs were arranged and responsibilities have been defined for Crisis Management Team;
- Adequate stocks of Sanitizer and face masks are made available to all employees; &
- Clear Standard Operating Procedures are in place on how to work with social distancing, marking of work spots, staggered lunch timings, fixing hand sanitizer dispensers in all areas.

The Company has resumed operations in a Phased manner in May 2020.

Based on our preliminary estimate, we expect that Q1 of FY 2020-21 will be badly affected and we expect gradual improvement from Q2 onwards.

However, the extent to which the COVID-19 pandemic will impact the business performance of the Company will depend on future developments which are highly uncertain and unpredictable.

Financial impact:

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. Currently, no major impact on the assets of the Company is envisaged and the Company will comfortably be able to service its business commitments and other statutory financial obligations.

The Company has, taken several cost-cutting measures to sustain the operations and to optimise the allocation and use of its financial resources with an objective to reduce the impact of lockdown on profitability.

Given the uncertainty around the severity and duration of the COVID-19 impact, the Management of the Company is not able to accurately assess the impact of this on future financial performance at this point of time. Moreover, the detailed impact assessment of COVID-19 on the business of the Company is a continuing process given the uncertainties associated with its nature and duration. The Company will continue to closely monitor the developments and the material impact, if any, will be disclosed from time to time to the Stock Exchanges.



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