

Date: 10th June, 2020

To
Department of Corporate services
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building, Phiroze Jeejeebhoy
Towers, Dalal Street, Fort,
Mumbai-400001
Scrip Code: - 540425

To
Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Plot No. C-1,
G Block, Bandra Kurla Complex,
Bandra (E)
Mumbai- 400051
Symbol- SHANKARA

Dear Sir

Sub: Disclosure of material impact of COVID-19 pandemic on the Company

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020, we are herewith submitting the disclosure of material impact of CoVID-19 pandemic on the operations and performance of the Company.

This is for your information and record.

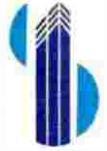
For **Shankara Building Products Limited**

Ereena Vikram

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Company Secretary & Compliance Officer





Business update on COVID-19 situation

The lockdown necessitated by COVID-19 has impacted business activity all across. In keeping with Government announcements and as part of prudent safety measures for our staff, all our business activities across stores, warehouses, vehicle fleet, factories and offices were shutdown since the latter part of March, 2020. While some locations have recommenced activity from early May 2020, some parts of our network are still impacted because of local lockdown measures.

We highlight below the key measures that we have undertaken as part of the new business environment:

- **Employee safety:** Social distancing and workplace guidelines have been communicated in all our work locations. Wearing of face masks is compulsory in our premises. Adequate arrangements have been made for temperature screening and sanitizers are provided at convenient places. Walk-ins are being controlled to ensure adequate social distancing. Frontline staff have been adequately trained to ensure protection. Workplace is sanitized frequently, especially the common touch points. We are working with reduced staff strength and restricted timings. Seating of employees have been spaced out and functions which can work from home are being encouraged.
- **Liquidity:** During this period we are conserving liquidity as far as possible. We have ensured that we have adequate fund availability to maintain our business operations at the current level. We are in regular discussions with our customers to ensure that the business rotation continues while reducing overall outstanding. We are also looking at serving customers from our existing stock. Fresh purchases are being undertaken in a very controlled manner. We are also engaging with our creditors and working along with them to ease cash flows. Fresh capex projects are currently put on hold and only ongoing necessary capex is being completed.
- **Cost control:** We are relooking at our cost structures and rationalizing the same according to the current needs of the business. We currently have 115 stores. We have shut down 5 stores namely Kunnamangalam, Calicut; Mancheryal, Telangana; Medavakkam and KK Nagar, Chennai and Marathahalli, Bangalore.
- **Digital channels:** Digital channels and technology become imperative to deal with such situations. We have provided sufficient technology and infrastructure support to enable work from home. We have provided online channels to reach out to customers for contactless sales.

Current status

Operations restarted from the first week of May 2020 in a staggered manner across our geographies based on state / local restrictions. Currently about 70% of our locations are operational. Activities are picking up based on local conditions.

Karnataka is our largest state in terms of revenues and has been impacted lesser, as of now, by the COVID-19 situation. A large part of our business comes from tier 2 /3 locations which has also helped us normalize operations faster. For locations which are not operational, we are engaging with our customers helping them with supplies wherever feasible. Some important Government projects and hospital requirements are also being serviced with relevant





approvals. We see some pent up demand for pending projects. There is no decline in the demand from the irrigation segment.

Our debt servicing and interest payment obligations continues to be as per schedule. We have adequate resources to fulfil our obligations and existing contracts/arrangements. Internal financial controls continue to be in force. There has been no impact on our plant, property and equipment. We continue to engage with all our outstanding debtors and ensuring business rotation with them.

We believe that we have considered all the possible impact of known events arising from COVID-19 pandemic in the preparation of the standalone and consolidated financial results. However, the impact of assessment of COVID-19 is a continuous process given the uncertainties associated with its nature and duration. The company will continue to monitor any material changes to future economic conditions.

It is very difficult to assess the future outlook at this stage as we are not yet past the COVID-19 crisis. However, given the trend of our operations in May 2020, we are confident that we will tide this situation in the ensuing months and the entity's going concern status will not be affected.

