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Phone : +91-422-4545745  
Fax : +91-422-4545700  
E-mail : info@shanthigears.murugappa.com  
Website : www.shanthigears.com  
CIN : L29130TZ1972PLC000649  
GST : 33AADCS0692L1Z7

May 26, 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

Total 11 pages (including covering letter)

Dear Sir,

### **Sub: Outcome of Board Meeting**

Further to our letter dated 20<sup>th</sup> May,2020, we write to inform that at the meeting held today (26<sup>th</sup> May, 2020), the Board of Directors of the Company have approved the following:

#### **1) Audited Financial Results for the financial year ended 31<sup>st</sup> March, 2020**

The Board of Directors of the Company, at their meeting held today (26<sup>th</sup> May, 2020), approved the audited financial results for the financial year ended 31<sup>st</sup> March, 2020.

Accordingly, pursuant to Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") we enclose the following:

- i) Statement showing the Audited Financial Results for the quarter and year ended 31<sup>st</sup> March, 2020;
- ii) Auditor's Report from the Statutory Auditors, M/s. Deloitte Haskins & Sells on the above financial results;

Further, as required under Clause 4.1 of SEBI's circular dated 27<sup>th</sup> May,2016, we confirm that the Statutory Auditors of the Company have issued the Report on the audited financial results of the Company for the year ended 31<sup>st</sup> March,2020, with unmodified opinion.

This is for your records and for uploading in your website. A copy of the same will be uploaded in the Company's website [www.shanthigears.com](http://www.shanthigears.com). An extract of the aforesaid financial results in the manner prescribed under the SEBI Listing Regulations will be published in English and Tamil newspapers within time stipulated.

A copy of the press release made with regard to the audited financial results for the quarter and year ended 31<sup>st</sup> March, 2020 is enclosed.



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## 2) Closure of Register of Members

Please note that the share transfer books of the Company will remain closed from **Saturday, 12<sup>th</sup> July, 2020 to Tuesday, 21<sup>st</sup> July, 2020** (both days inclusive) for the purpose of ensuing 47<sup>th</sup> Annual General Meeting.

## 3) 47<sup>th</sup> Annual General Meeting

The 47<sup>th</sup> Annual General Meeting of Members of the Company will be held on **Tuesday, 21<sup>st</sup> July, 2020**.

For your information, the Board Meeting commenced at 1.15 P.M. and concluded at 3.20 P.M.

Please take the above on your record.

Thanking you,

Yours faithfully,  
For **SHANTHI GEARS LIMITED**

  
**C. Subramaniam**  
**Company Secretary**

Encl: As above

**Shanthi Gears Limited**  
CIN: L29130TZ1972PLC000649  
Regd. Office: 304-A, Trichy Road, Singanallur, Coimbatore-641005. Tel: +91-422-4545745 Fax: +91-422-4545700  
Email: cs@shanthigears.murugappa.com, Website:www.shanthigears.com  
**Statement of Financial Results for the Quarter and Year Ended 31 March 2020**

**Financial Information**

₹ Crores

SI No	Particulars	Quarter ended			Year ended	
		31.03.2020 (Refer Note 8)	31.12.2019 Unaudited	31.03.2019 (Refer Note 8)	31.03.2020 Audited	31.03.2019 Audited
1	<b>Revenue from Operations</b>	41.61	58.02	60.10	242.29	241.68
	Other Income	1.80	1.57	2.57	6.53	11.80
	<b>Total Income</b>	<b>43.41</b>	<b>59.59</b>	<b>62.67</b>	<b>248.82</b>	<b>253.48</b>
2	<b>Expenses</b>					
	(a) Cost of materials consumed	24.51	24.25	32.35	111.98	115.76
	(b) Changes in Inventories of finished goods and work-in-progress	(4.96)	2.15	(2.44)	3.81	(7.88)
	(c) Employee benefits expense	11.60	12.38	11.56	48.23	45.40
	(d) Depreciation and amortisation expense	2.08	2.10	2.19	8.39	10.62
	(e) Other expenses	9.69	11.01	11.35	43.72	47.12
	<b>Total Expenses</b>	<b>42.92</b>	<b>51.89</b>	<b>55.01</b>	<b>216.13</b>	<b>211.02</b>
3	<b>Profit before tax (1-2)</b>	<b>0.49</b>	<b>7.70</b>	<b>7.66</b>	<b>32.69</b>	<b>42.46</b>
4	<b>Tax Expense</b>					
	Current tax	(0.10)	0.97	1.45	6.21	8.20
	Deferred tax	(0.70)	0.64	0.20	1.29	0.91
	<b>Total tax expense</b>	<b>(0.80)</b>	<b>1.61</b>	<b>1.65</b>	<b>7.50</b>	<b>9.11</b>
5	<b>Profit for the periods / year after tax (3-4)</b>	<b>1.29</b>	<b>6.09</b>	<b>6.01</b>	<b>25.19</b>	<b>33.35</b>
6	<b>Other Comprehensive Income (net of tax)</b>					
	Items not to be reclassified to profit or loss in subsequent periods					
	Re-measurement gains and (losses) on defined benefit obligation (net)	(1.35)		0.25	(1.35)	0.25
	Income tax relating to Item that will not be reclassified into profit or loss	0.46		(0.07)	0.46	(0.07)
	Other Comprehensive Income for the period / year	(0.89)	-	0.18	(0.89)	0.18
7	<b>Total Comprehensive Income (5+6)</b>	<b>0.40</b>	<b>6.09</b>	<b>6.19</b>	<b>24.30</b>	<b>33.53</b>
8	Paid-up Equity Share Capital (Face Value of ₹1 each) (Refer Note 3)	7.67	7.67	8.17	7.67	8.17
9	Reserves and Surplus (i.e Other Equity)				220.95	293.91
10	Earnings Per Share (EPS) of Face value of ₹1 each (Not annualised for the quarters)					
	Basic and Diluted EPS ₹	0.17	0.79	0.74	3.28	4.08

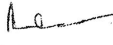
**Notes**

- The above Financial Results were reviewed by the Audit Committee and approved by the Board of Directors of the Company at the meeting held on 26 May 2020.
- The Company's main business is manufacture of Gears and Gear Products. There are no separate reportable segments as per Ind AS 108 - Operating Segments
- The Board of Directors in a meeting held on 26 December 2018 approved a proposal for buyback of equity shares of the Company, not exceeding 50 lakh equity shares of ₹ 1/- each fully paid-up, at a price of ₹140 per share, through the tender route on a proportionate basis, from the shareholders, which got approved by the shareholders through postal ballot on 29 January 2019 and approved by SEBI on 26 February 2019. Consequently 50,00,000 shares have been extinguished on 9 April 2019.
- The Company has not proposed to exercise the option permitted under Section 115BAA of the Income Tax Act, 1961, accordingly no adjustments has been made in the financial results.
- The Company has adopted Ind AS 116 "Leases" with the date of initial application being April 1, 2019. Ind AS 116 replaces Ind AS 17 "Leases" and related interpretation and guidance. There are no material lease contracts to the Company and hence no adjustment has been made on the financial results on account of Ind AS 116.
- The outbreak of COVID-19 pandemic and the resulting lockdown enforced from 23rd March 2020 has affected the Company's regular operations. Accordingly, the Company has considered the possible effects that may result from the pandemic on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external information which are relevant in determining the expected future performance of the Company. The Company has evaluated its liquidity position, recoverability of such assets and based on current estimates expects the carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these financial results.
- The above financial results are also available on our website www.shanthigears.com
- The figures of the last quarter are balancing figures between the audited figures in respect of the full financial years and the published year-to-date figures upto the third quarter of the respective financial years.
- Previous period figures have been regrouped wherever necessary.

For Shanthi Gears Limited

Place : Chennai  
Date : 26 May 2020



  
**L Ramkumar**  
Chairman

**Shanthi Gears Limited**  
**Statement of Assets and Liabilities**

₹ Crores

Particulars		As at 31.03.2020 (Audited)	As at 31.03.2019 (Audited)
<b>I.</b>	<b>Assets</b>		
1	<b>Non-current Assets</b>		
	(a) Property, plant and equipment	52.18	51.09
	(b) Capital work-in-progress	6.37	0.18
	(c) Investment Property	7.26	7.09
	(d) Intangible assets	0.33	0.45
	(e) Financial Assets		
	(i) Investments	27.67	14.16
	(f) Deferred Tax Assets (net)	4.13	4.96
	(g) Other non-current assets	9.80	5.74
	<b>Total non-current assets</b>	<b>107.74</b>	<b>83.67</b>
2	<b>Current Assets</b>		
	(a) Inventories	60.84	70.13
	(b) Financial Assets		
	(i) Investments	51.65	109.69
	(ii) Trade Receivables	38.19	56.51
	(iii) Cash and Cash Equivalents	1.06	1.55
	(iv) Other balances with banks	0.93	18.19
	(v) Other financial assets	13.86	5.51
	(c) Current Tax Assets (Net)	1.53	2.02
	(d) Other current assets	7.23	5.35
	<b>Total current assets</b>	<b>175.29</b>	<b>268.95</b>
	<b>TOTAL ASSETS</b>	<b>283.03</b>	<b>352.62</b>
<b>II.</b>	<b>EQUITY AND LIABILITIES</b>		
	<b>Equity</b>		
	(a) Equity Share capital	7.67	8.17
	(b) Other Equity	220.95	293.91
		<b>228.62</b>	<b>302.08</b>
	<b>Liabilities</b>		
1	<b>Non-current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Other Long-Term Liabilities	1.38	-
	(b) Provisions	0.16	0.16
	<b>Total non current liabilities</b>	<b>1.54</b>	<b>0.16</b>
2	<b>Current Liabilities</b>		
	(a) Financial Liabilities		
	(i) Trade Payables		
	- total outstanding dues of micro enterprises and small enterprises	3.21	0.28
	- total outstanding dues of creditors other than micro enterprises and small enterprises	26.91	30.65
	(ii) Other financial liabilities	0.93	0.69
	(b) Provisions	0.44	0.66
	(c) Other current liabilities	21.38	18.10
	<b>Total current liabilities</b>	<b>52.87</b>	<b>50.38</b>
	<b>Total liabilities</b>	<b>54.41</b>	<b>50.54</b>
	<b>TOTAL EQUITY AND LIABILITIES</b>	<b>283.03</b>	<b>352.62</b>

For and on behalf of the Board of Directors

Place : Chennai  
Date : 26 May 2020

  
**L Ramkumar**  
Chairman



**Shanthi Gears Limited**  
**Statement of Cash Flows for the year ended 31 March 2020**

₹ Crores

Particulars	Year ended 31.03.2020	Year ended 31.03.2019
<b>A. Cash Flow from Operating Activities</b>		
<b>Profit for the year</b>	25.19	33.35
Adjustments for:		
Depreciation of property, plant and equipment	8.32	10.51
Depreciation of investment properties	0.07	0.11
(Profit)/Loss on Property plant & equipment Sold / Discarded (Net)	(0.32)	(0.79)
Income tax expense	7.50	9.11
Interest income	(0.56)	(1.76)
Dividend income	(2.79)	(6.69)
Net gain arising of financial assets measured at fair value through profit or loss	(0.39)	(1.52)
Provision for doubtful trade receivables	(0.02)	(0.24)
Bad debts written off	0.06	0.12
<b>Operating Profit before Working Capital / Other Changes</b>	<b>37.06</b>	<b>42.20</b>
Changes in working capital:		
Adjustments for (increase) / decrease in operating assets:		
Inventories	9.29	(11.25)
Trade receivables	18.32	(1.03)
Other financial assets	0.71	1.33
Other current assets	(1.39)	(2.02)
Other non-current assets	(4.06)	0.07
Adjustments for increase / (decrease) in operating liabilities:		
Trade payables	(0.81)	7.26
Other current liabilities	3.28	0.52
Other long-term liabilities	1.38	0.19
Short-term provisions	(0.22)	0.11
Cash generated from operations	<b>63.56</b>	<b>37.38</b>
Net income tax paid	(7.74)	(10.22)
<b>Net cash generated by operating activities</b>	<b>55.82</b>	<b>27.16</b>
<b>B. Cash flow from investing activities</b>		
Capital expenditure on fixed assets, including capital advances	(17.51)	(11.63)
Proceeds from sale of property plant and equipments	0.33	0.86
Investment in long term investments (Net)	(13.51)	(1.99)
Purchase of current investments and deposits	(69.20)	(191.13)
Proceeds from current investments and deposits	120.60	231.02
Interest received		
- Others	0.67	6.54
Dividend received		
- Others	2.79	6.69
<b>Net cash flow used in investing activities (B)</b>	<b>24.17</b>	<b>40.36</b>
<b>C. Cash flow from financing activities</b>		
Buy-back of equity shares	(70.00)	-
Dividends paid on equity shares	(23.01)	(40.86)
Tax on dividend	(4.73)	(8.40)
<b>Net cash flow used in financing activities (C)</b>	<b>(97.74)</b>	<b>(49.26)</b>
<b>Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(17.75)</b>	<b>18.26</b>
Cash and cash equivalents at the beginning of the year	19.74	1.48
<b>Cash and cash equivalents at the end of the year (Refer Note 10c)</b>	<b>1.99</b>	<b>19.74</b>

See accompanying notes forming part of the financial statements

For and on behalf of the Board of Directors

  
**L. Ramkumar**

Chairman

(DIN: 00090089)

Place : Chennai  
Date : 26 May 2020



## INDEPENDENT AUDITOR'S REPORT ON AUDIT OF ANNUAL FINANCIAL RESULTS AND REVIEW OF QUARTERLY FINANCIAL RESULTS

TO THE BOARD OF DIRECTORS OF

**SHANTHI GEARS LIMITED**

### Opinion and Conclusion

We have (a) audited the Financial Results for the year ended March 31, 2020 and (b) reviewed the Financial Results for the quarter ended March 31, 2020 (refer 'Other Matters' section below), which were subject to limited review by us, both included in the accompanying "Statement of Financial Results for the Quarter and Year Ended March 31, 2020 ("the Statement") of **SHANTHI GEARS LIMITED** ("the Company"), being submitted by the Company pursuant to the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations").

#### (a) Opinion on Annual Financial Results

In our opinion and to the best of our information and according to the explanations given to us, the Financial Results for the year ended March 31, 2020:

- i. is presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended; and
- ii. gives a true and fair view in conformity with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India of the net profit and total comprehensive income and other financial information of the Company for the year then ended.

#### (b) Conclusion on Unaudited Financial Results for the quarter ended March 31, 2020

With respect to the Financial Results for the quarter ended March 31, 2020, based on our review conducted as stated in paragraph (b) of Auditor's Responsibilities section below nothing has come to our attention that causes us to believe that the Financial Results for the quarter ended March 31, 2020, prepared in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards and other accounting principles generally accepted in India, has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, including the manner in which it is to be disclosed, or that it contains any material misstatement.

#### Basis for Opinion on the Audited Financial Results for the year ended March 31, 2020

We conducted our audit in accordance with the Standards on Auditing ("SAs") specified under Section 143(10) of the Companies Act, 2013 ("the Act"). Our responsibilities under those Standards are further described in paragraph (a) of Auditor's Responsibilities section below. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Results for the year ended March 31, 2020 under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion.



### **Management's Responsibilities for the Statement**

This Statement which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended March 31, 2020 has been compiled from the related audited financial statements. This responsibility includes the preparation and presentation of the Financial Results for the quarter and year ended March 31, 2020 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are responsible for assessing the Company's ability, to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

### **Auditor's Responsibilities**

#### **(a) Audit of the Financial Results for the year ended March 31, 2020**

Our objectives are to obtain reasonable assurance about whether the Financial Results for the year ended March 31, 2020 as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this Financial Results.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Annual Financial Results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.



- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the Board of Directors.
- Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.
- Conclude on the appropriateness of the Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Annual Financial Results, including the disclosures, and whether the Annual Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Annual Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**(b) Review of the Financial Results for the quarter ended March 31, 2020**

We conducted our review of the Financial Results for the quarter ended March 31, 2020 in accordance with the Standard on Review Engagements ("SRE") 2410 'Review of Interim Financial Information Performed by the Independent Auditor of the Entity', issued by the ICAI. A review of interim financial information consists of making inquiries, primarily of the Company's personnel responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with SAs specified under section 143(10) of the Act and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.





**Other Matters**

- As stated in Note 8 of the Statement, the figures for the corresponding quarter ended March 31, 2019 are the balancing figures between the annual audited figures for the year then ended and the year to date figures for the 9 months period ended December 31, 2018. We have not issued a separate limited review report on the results and figures for the quarter ended March 31, 2019. Our report on the Statement is not modified in respect of this matter.
- The Statement includes the results for the Quarter ended March 31, 2020 being the balancing figure between audited figures in respect of the full financial year and the published year to date figures up to the third quarter of the current financial year which were subject to limited review by us. Our report on the Statement is not modified in respect of this matter.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm's Registration No. 008012S)



A handwritten signature in black ink, appearing to read "C.R. Rajagopal".

**C.R. Rajagopal**  
Partner  
(Membership No. 023418)  
(UDIN: 200023418AAAABC4824)

Place : Coimbatore  
Date : May 26, 2020

## Financial Results of Shanthi Gears Limited

### Shanthi maintains topline same as last year

The Board of Directors of Shanthi Gears Limited (SGL) a subsidiary of Tube Investments of India Limited (TII), met today and approved the financial results for the quarter and year ended 31<sup>st</sup> March 2020.

### Highlights

The Company continues to focus on 4 key priorities of Revenue growth, Profitability, ROCE and Free Cash Flow (FCF). SGL delivered strong performance on all these 4 priorities:

- Revenue of ₹ 41.6 Crores in the quarter with a 31% degrowth over Q4 of previous year. Revenue of ₹ 242.3 Crores in the financial year with a **0.3% growth** of over previous year.
- The Profit before tax % to Sales was 1% for Q4 and 13% for the financial year ended Mar-20. The Profit before tax for the year ended Mar-20 was down by **23%** to ₹ 32.7 Crores against the previous year.
- Profitability and lower capital employed enabled the Return on average Capital Employed (ROCE) to **19%** from 21% of the previous year.
- The Company generated cumulative operating free cash flow of ₹ **62 Crores** during the year. Cumulative Free cash flow to PAT is **254%**

During the quarter the Company booked orders for ₹ 70 Crores (against ₹ 72 Crores for corresponding quarter of the previous year). During the year the Company had booked orders for ₹ 254 Crores (against ₹ 288 Crores for the previous year). This is on account of sluggish demand from almost all major user industries due to continued industrial slow down and lockdown on account of COVID-19.

Pending orderbook as on 31<sup>st</sup> March 2020 was ₹ 155 Crores against ₹ 168 Crores in the previous year. The Company made good strides in the service and replacement market.

The outbreak of COVID-19 pandemic and the resulting lockdown enforced from 23rd March 2020 has affected the Company's regular operations. Accordingly, the Company has considered the possible effects that may result from the pandemic on the carrying amounts of property, plant and equipment, investments, inventories, receivables and other current assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company, as at the date of approval of these financial results has used internal and external information which are relevant in determining the expected future performance of the Company. The Company has evaluated its liquidity position, recoverability of such assets and based on current estimates expects the

carrying amount of these assets will be recovered. The impact of COVID-19 on the Company's financial results may differ from that estimated as at the date of approval of these financial results.