

24th June, 2020

The General Manager BSE Ltd. Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001	The Assistant Vice-President The National Stock Exchange of India Ltd. Exchange Plaza, 5th Floor, Plot No.C/1, G Block, Bandra Kurla Complex Bandra (East), Mumbai – 400 051
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Dear Sir,

Sub: Disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

The Company has informed vide its intimations dated 23rd March, 2020 and 17th April, 2020 regarding its plant operations due to COVID-19.

In compliance of SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020 seeking disclosure from listed entities on the impact of COVID-19 pandemic on their business, we would like to inform as-under:

Impact on the Business:

In the face of COVID-19 pandemic, all the manufacturing operations were disrupted since last week of March, 2020. The company could partially resume the manufacturing operations at its plant at Sanghipuram, Kutch from Mid-April, 2020 after obtaining the necessary approval from Government.

The company's expansion project at Sanghi Puram, Kutch is at advance stage of completion. There is some impact on timeline due to poor availability of manpower and equipment due to Covid-19 pandemic.

Ability to maintain operations and restarting operations at Plant and Corporate Offices and Steps taken to ensure smooth functioning of operations:

Due to nationwide lockdown, the Company's Plant was also locked down for few days. Subsequently, the State and Local Authorities had permitted limited operations & project activities to restart subject to stringent conditions. Hence, from Mid-April onwards, operations have started but at reduced levels as compared to corresponding period of previous year to match with the current market demand.

The Company had also adopted a "Work from Home policy" for its Corporate Office, Marketing and other offices also. Subsequently, the companys offices are running with minimum required staff.



Sanghi Industries Limited

CIN No. : L18209TG1985PLC005581

Registered Office : P.O. Sanghinagar, Hayatnagar Mandal, R R District, Telangana - 501511.

Tel. : 08415 - 242240 E-mail : companysecretary@sanghiment.com

Website : www.sanghiment.com

Series of measures have been taken to ensure safety, health and well-being of all our employees. These measures ensure compliance with various directives & advisories which have been issued by Central/State/Local authorities from time to time. Safety measures at the work place include thermal scanning, sanitization, hygiene, wearing masks and observing social distancing norms, extensive use of the Aarogya Setu App etc.

Estimation of the future impact of COVID-19 on operations of the Company:

Due to COVID-19, operations were suspended for certain period which has created adverse impact on business and financial position of the Company temporarily. Management believes that impact is likely to be short term in nature. The management does not see any medium to long term risks in the company's ability to meet its liabilities as and when they fall due.

Details of impact of COVID-19 on the Company's various aspects including Capital and Financial Resources, Profitability, Liquidity position and ability to service debt and other financing arrangements, Assets, Internal Financial Reporting and Control, Supply Chain and Demand for Product:

Due to COVID-19 pandemic, uncertainties have developed the global economy. Most of the rating agencies and analysts have lowered their projections for the Indian economy aligning it to the global trends.

There is no material change in variable cost of production. However, in first half of the year, volume is expected to be lower.

The Cash flow forecast is moderated for April 2020 to September 2020, hence as a measure of abundant precaution, company has applied for /availed both RBI packages granting moratorium from March 2020 to August 2020.

The cashflow post monsoon is expected to be normal. The company is consciously trying to support its dealers and vendors. However, this will not have material impact on working capital cycle of the company.

The company expects to recover the carrying amount of all its inventory, trade receivables etc in the ordinary course of business based on current economic conditions. The company is continuously monitoring the material changes in future economic conditions, if any.



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