

# MESSAGE TO **SHAREHOLDERS**



**DEAR  
SHAREHOLDERS,**

I am pleased to share with you an update on your Company's performance for FY 2019-20. Well before the onset of the COVID-19 pandemic, India's GDP growth had slowed down and consequently the country's automotive industry had started feeling the slow down in demand.

The real GDP growth which was 7.0% in FY 2017-18 decreased to 6.1% in FY 2018-19 and further to 4.3% in FY 2019-20. There is a meagre growth of 3.1% in January-March 2020 quarter. With the COVID-19 pandemic hitting the country, national lockdown wiped out all economic activities in the last eight days of March, 2020.

The year 2019-20 was an unexpected year for Sandhar in which revenue declined by 17% YOY. The main reasons for the decline are:

- i. Temporarily shutting down of manufacturing plants due to COVID-19 pandemic.
- ii. Decrease in the OEMs' sales due to transition from BS-IV to BS-VI.
- iii. Drastic slow-down in the infrastructure sector.
- iv. Slow traction in the new product development business due to poor off-take of BS-VI models.
- v. Global softening of commodity prices.

By incessant efforts of the management team and the employees led by your Co-Chairman & Managing

Director, Shri Jayant Davar, Sandhar has performed creditably in battling severe demand challenges that the industry has faced in the last year. The national lockdown on account of COVID-19 has effectively wiped out 40 working days. We believe that the given situation of restricted movement and low demand may continue in the next two quarters of FY 2020-21.

We have to adapt lessons learnt in selling to recreate markets for our products. We have to approach our customers' with renewed vigour and with newer products as well, have to deepen our relationships with them, to have a regular feedback and to eliminate all unnecessary costs. We need to do so as a versatile Sandhar team, striving in unison to get more business, irrespective of the spectre of COVID-19.

Even in such a challenging time, your Company Sandhar is pleased to announce the total dividend of Rs. 2 per share for FY 2019-2020.

I would like to thank each and every employee as well as those working as our partners across our value chain for

their commitment and service to Sandhar in these challenging times. Most importantly, I would like to thank you, for your overwhelming trust, support and confidence in Sandhar Technologies Limited.

In the meanwhile, do stay safe, stay happy.

Sd/-  
**D. N. Davar**  
Chairman

