

BGL/SEC/NSE/3/JUNE 2020-2021

BGL/SEC/BSE/2/JUNE 2020-2021

June 08, 2020

The Manager (Listing)
National Stock Exchange of India Ltd
"Exchange Plaza", 5th Floor,
Plot No. C-1, G - Block,
Bandra Kurla Complex,
Bandra (E),
Mumbai - 400051

The Manager (Listing)
BSE Limited
1st Floor, New Trading Ring,
Rotunda Building,
PJ Towers, Dalal Street,
Fort, Mumbai – 400001

SYMBOL: BHARATGEAR

STOCKCODE: 505688

Subject: Intimation under Regulation 30 read with Schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Updates on resumption of manufacturing operations amid Covid-19 and Impact thereof on the Company

Dear Sir/Madam,

This is with reference to our letter dated March 23, 2020, March 31, 2020, April 14, 2020 and May 03, 2020 respectively regarding temporary suspension of manufacturing operations at our plant(s) at Faridabad in the State of Haryana and at Mumbra, Thane District and Lonand, Satara District in the State of Maharashtra and various Branch Offices in the interest of health and safety of our employees and public at large amid spread of COVID – 19 Pandemic.

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with the SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, we would like to inform the following:

Our plant at Faridabad, Haryana has restarted from 3rd week of April, 2020 and other plants at Lonand, Satara District and Mumbra, Thane District in Maharashtra have progressively restarted from 1st week of May, 2020 based on the directions provided by the Government of India (GOI) and the State(s) Government notifications and approvals received from appropriate local authorities.



The operations at our plants have been restarted in strict compliance to the National Directives for COVID-19 Management and Standard Operating Procedure for Social Distancing. The Company has drafted necessary protocols regarding safe running of plants including wearing of face masks at workplace all the time, maintaining social distancing and workplace sanitation etc. in accordance with the post Covid-19 guidelines issued by relevant authorities in the geographies in which we operate and we are making strict efforts for adherence to the same.

Due to prolonged lockdown, there has been a severe impact on our manufacturing capabilities. We have been monitoring the situation on daily basis and are in touch with our suppliers, vendors, customers etc. All our plants are now running with a curtailed workforce without any issue and we are geared up to meet up the existing demand and any increase thereof. We are continuously reassessing our manufacturing capabilities and also preparedness of our supply to meet the delivery schedules Further, we expect labour shortage at our plants due to the movement of migrant labour and are also looking at ways and means to mitigate the impact. We are also monitoring the health of our suppliers on a constant basis, some of whom are MSME suppliers.

Our revenues in the month of April, 2020 was almost Nil and in the month of May we are running our plants at about 20 to 25% capacity. As a supplier of automotive components, we are largely dependent on demand from OEMs (Original Equipment Manufacturers). The ramp up in capacity utilization at the different plants will depend on location wise demand from customers and gradual pickup in our manufacturing capabilities as the lockdown measures are relaxed.

Prolonged lockdown has impacted the working capital position of the Company and liquidity is under pressure. We are in active dialogue with Banks/Financial Institutions for the options to improve the cash flows so that the liquidity is ensured with sufficient credit lines.

As of now, there are no instances of non-fulfilment of any obligations of contracts/agreements which will have significant impact on the Company. We are in touch with all the stakeholders to work out ways to meet the upcoming obligations, financial or otherwise. All the fixed assets of the Company are intact without any impact.

The sudden and unexpected drop in the demand will result into a considerable drop on the revenues and profitability of the Company for the Financial Year 2020-21, especially during first two quarters. The performance is expected to improve progressively in following periods as the situation improves.

At this juncture, it is difficult to estimate the full impact of Covid-19 pandemic and resultant lockdown. We expect that in the given market conditions, the Company's revenue and profitability will continue to be affected. Our business will also depend on future developments comprising actions to contain or treat the disease and mitigate its impact on the economies of the affected Countries, among others. The impact of the pandemic might be different from that we estimate, and the Company will closely monitor any material changes to future economic conditions.

Meanwhile, we wish that the public at large in the Country and over the globe stay safe and sustain a good health and well being along with the economic development taking place post Covid-19 pandemic.

You are requested to take the same on your records.

Thanking you,

Yours faithfully,
For Bharat Gears Limited



Prashant Khattry
Head (Legal) and Company Secretary

