

The BSE Limited
Department of Corporate Services
Floor 1, New Trading Ring
Rotunda Building, P.J. Towers
Dalal Street, Fort
Mumbai 400 001.
Scrip Code - 520057

National Stock Exchange of India Ltd.
Exchange Plaza, 5th Floor,
Plot No. C/1, G Block
Bandra – Kurla Complex
Bandra (E)
Mumbai 400 051.
Symbol – JTEKTINDIA; Series – EQ

Sub : Disclosure of material impact of COVID-19 pandemic.

Dear Sir,

Pursuant to the SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 on disclosure of material impact of CoVID-19 pandemic are as follows:

S.NO.	PARTICULARS	DISCLOSURES
1.	Impact of the CoVID-19 pandemic on the business	<p>The Company has informed stock exchanges vide letters dated 22nd March, 2020 and 23rd March, 2020 for closure of various plants and offices due to lockdown and further vide letter dated 04th May, 2020 and 16th May, 2020 informed about the permission obtained for re-opening of its manufacturing plants and offices.</p> <p>This has impacted Company's operations during March, April and May 2020. Subsequent to the permission to operate our manufacturing facilities, we have completed export consignments to USA from our Chennai and Dharuhera Units. Production has also started to meet the requirements our domestic customers also.</p>
2.	Ability to maintain operations including the factories / units / office spaces functioning and closed down;	The Company has restarted operations in all its plants by adhering to the safety norms prescribed by Government of India.
3.	Schedule, if any, for restarting the operations	The Company being Tier-1 component supplier to Car Manufacturers; the scale of operations will actually depend upon the activity in the Auto Sector. The current domestic volume of car sales is quite low which is negatively impacting the production volumes of the Company. In the short term, it is therefore expected that manufacturing activity will be well below the normal.

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CIN : L29113DL1984PLC018415, **Website :** www.jtekt.co.in

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4.	Steps taken to ensure smooth functioning of operations	The Company is taking utmost care of its staff and work force like sanitisation, social distancing, mandatory mask wearing, thermal check at the gate, maintaining proper hygiene etc. Supply chain is being monitored to ensure availability of required material. All machines have been tested and required maintenance activity has been carried out. The Company has paid full salaries to its on roll and off roll employees for the months of March, April and May, 2020. The salaries for the month of June, 2020 shall be released on time.
5.	Estimation of the future impact of CoVID-19 on its operations	As the complete Auto Sector has been hit, the Company had no sales in April, 2020. As the Auto Sector got permission to start manufacturing activity in the month of May; it has initially taken several days to achieve readiness of man and machines for start of manufacturing activity. Moreover, the actual production will depend upon demand from consumers which in the current scenario may take little time to pick up. With this scenario, we expect a major decline in manufacturing activity in the sector in the first quarter of current financial year. These are early days and the Company is not in a position to gauge with certainty the future impact on operations but we do hope the business situation should normalise during 3rd and 4th quarter.
6.	Details of impact of CoVID-19 on listed entity's:	
6.1	Capital and financial resources	<p>The Company does not see incremental risk to recoverability of assets (Inventories, investments, Receivables, etc.). All Customers have released their due payments and similarly the Company has paid all its vendors on time. The Company's capital and Banking facilities remain intact. There are no liquidity concerns as we have sufficient unutilised Banking limits available.</p> <p>The credit rating agency has reaffirmed the long term credit rating of the Company at LAA with stable outlook.</p>
6.2	Profitability	In view of lock down, the profitability during 1st quarter (April to June) is likely to be adversely impacted. As the business situation is very dynamic, the company is closely monitoring it. Though we do hope the business situation should normalise during 3rd and 4th quarter.



6.3	Liquidity position	As explained above, there are no liquidity concerns as we have sufficient Banking limits available. The Company has been regular in meeting its interest and principal repayment obligations towards its bankers. The Company has paid all its vendors on time. The Company has also paid full salaries to its on roll and off roll employees for the month of March, April and May, 2020. The salaries for the month of June, 2020 shall be released on time.
6.4	Ability to service debt and other financing arrangements	The Company has been regular in meeting its interest and principal repayment obligations towards its bankers.
6.5	Internal financial reporting and control	The rapidly evolving threat around COVID-19 makes it is important to evaluate Internal Control over Financial Reporting. In the current scenario, the Company is carefully considering the change in key processes which have impact on key controls. This has led to movement from decentralized to centralized operations for certain key activities such as bank payments. The management is fully aware of its responsibility towards disclosure requirements related to going concern, risk and uncertainties, subsequent events, loss contingencies and other related areas.
6.6	Demand for its products/services	The Company being Tier-1 component supplier to Car Manufacturers; the scale of operations will actually depend upon the activity in the Auto Sector. The current domestic volume of car sales is quite low which is negatively impacting the production volumes of the Company. In the short term, it is therefore expected that manufacturing activity will be well below the normal. We expect demand to improve in 3rd quarter and normalise by 4th quarter.

Trust you will find the same in order.

Thanking you,

Yours faithfully,
For JTEKT INDIA LIMITED


NITIN SHARMA
COMPANY SECRETARY