Raymond LIMITED
SECRETARIAL DEPARTMENT
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Maharashtra, India
CIN No.: L17117MH1925PLC001208
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RL/SE/AC/20-21/16

June 10, 2020

To

The Department of Corporate Services - CRD
BSE Limited
P.J. Towers, Dalal Street
Mumbai - 400 001
Scrip Code: 500330

The National Stock Exchange of India Limited
Exchange Plaza, 5th Floor
Bandra-Kurla Complex
Bandra (East), Mumbai - 400 051
Symbol: RAYMOND

Luxembourg Stock Exchange
Societe De La Bourse De Luxembourg,
35A, Boulevard Joseph II,
L-1840 Luxembourg
Trading Code : USY721231212

Dear Sir/Madam

Sub: Raymond Limited – Update

Please find enclosed an Update on the impact of national lockdown due to COVID-19 on the business and operations of Raymond Limited.

Please take this information on record.

Thanking you,

Yours faithfully,
For **Raymond Limited**

Thomas Fernandes
Director – Secretarial &
Company Secretary

Encl.: a/a

REGISTERED OFFICE
Plot No. 156/H No. 2, Village Zadgaon,
Ratnagiri - 415 612, Maharashtra
Tel: (02352) 232514
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Update on the impact of national lockdown due to COVID-19 on the business and operations of the Company

Branded Textile & Branded Apparel:

Pre-COVID-19 Demand Scenario: The year 2020 began on a cautious note with moderate demand and the End of Season Sale period being stretched beyond mid-February. The company was expecting a good wedding season driven by higher primary sales in March, due to higher number of wedding dates starting April to June. However, primary sales were impacted in 2nd half of March due to COVID-19. Also, as stated in 3QFY20, inventory correction in MBO channel of Branded Apparel continued in 4QFY20 due to higher channel inventory built-up

During Lockdown: During Lockdown 1.0 and 2.0, all retail stores in our network remained shut. The gradual reopening began from Lockdown 3.0 onwards, wherein government permitted sale of certain non-essential items (including fabric and apparel) in specified geographies. Currently ~65% of Raymond stores have re-opened and the Company is adhering to all COVID-19 related guidelines for employees and customers

Manufacturing Plants: Currently, suiting and shirting fabric manufacturing plants continue to remain shut due to subdued demand. However, the management is evaluating production planning to reopen the plants in a phased manner

Garmenting:

The company fulfilled export orders till 3rd week of March 2020 before the lockdown. The manufacturing operations were halted in India and Ethiopia after the global spread of the pandemic because of which certain export dispatch schedules were deferred due to retail shutdown especially in US & Europe markets

Current Status: The garmenting facilities of Raymond have partially resumed operations and are deploying stringent health protocols and safe distancing measures in coherence with government directives

Engineering Business - Tools & Hardware and Auto Components: Company has partially resumed manufacturing operations in all plants streamlining the pending orders while implementing necessary

precautions to safeguard the well-being of employees and other parameters as stipulated in the government directives

Real Estate business:

As per the phased relaxation post COVID-19 outbreak, since the Government has allowed construction work, the Company has initiated pre-monsoon preparedness activity at the site. The construction work will spruce up with the availability of the migrant labour

With the lockdown in effect, the company has engaged the potential buyers through digital and virtual interactive touch-points The Company has started receiving bookings for flats but sales is expected to pick-up only after the current pandemic impact tapers off

New business opportunities:

Raymond Care Initiative: The Company is utilizing its garment manufacturing factories in Bengaluru to manufacture PPE products including coverall suits and masks, which are currently being supplied to government, corporate sectors and hospitals. The garmenting facility located at Ethiopia has also been calibrated for a similar process and has received few orders

FMCG Business: In our endeavour to contribute to the efforts in battling COVID-19 pandemic, Raymond has launched a range of sanitizing products including hand cleansers, hand wash and high alcohol content cologne meeting the highest safety standards, affordability and ease of usage for consumers

Liquidity Position

The Company is taking all requisite measures to manage liquidity that includes cost reduction, fund management and focus on collections. The Company is looking at all available options that include long term funding and alternate working capital availability to manage liquidity in the current situation

The Company is in the process of taking steps to issue NCDs that would support rebalancing its debt mix favouring long-term debt. Recently, the Company has raised Rs. 145 crores through NCDs at market benchmarked rates

Cost Restructuring

As an organisation, we are challenging all costs and also restructuring organisation to ensure efficiencies. In line with the prevailing market conditions and unprecedented challenges, the company has undertaken the process of cost rationalisation & various cost control measures related to sales & marketing, manpower, rentals and others to minimise the impact on business due to the pandemic

Easing of input costs

While there is a slump in demand due to the pandemic, commodity prices have softened leading to low input costs which would support in the overall profitability during the current fiscal. Easing of commodity prices such as cotton and wool are likely to benefit the company going forward along with softened oil prices. The company is expected to reap benefits of low imports from China as global supply chain will witness a shift. The company expects the exports to resume soon with opening up of global economies

Estimation of the future impact of COVID-19 on its operations

As the situation is unprecedented and the lockdown is gradually lifting, the Company is closely monitoring the evolving situation therefore it will be premature to put any estimates with limited visibility in current circumstances

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