

16th June, 2020

To,
Corporate Service Dept.
BSE Limited
Jeejeebhoy Towers
Dalal Street,
Mumbai - 400 001
Scrip code: **530919**

The Listing Department,
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai - 400051.
Symbol: **REMSONSIND**

Dear Sir/Madam,

Sub: Sub: Disclosure relating to impact of CoVID-19 pandemic on the Company

Ref.:- Disclosure pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015.

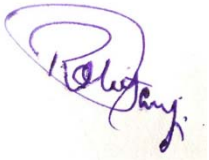
In pursuance to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and as advised vide SEBI Circular No. SEBI/HO/CFD /CMD1/CIR/P/2020/84 dated May 20, 2020, an update relating to the impact of CoVID-19 pandemic and the resultant lockdown on the operations of the Company is enclosed herewith as Annexure- A.

Kindly take the same on record.

Thanking you.

Yours faithfully,

For **Remsons Industries Limited**



Rohit Darji
Company Secretary & Compliance Officer

Annexure- A

Sr. No.	Particulars	Disclosures
1.	Impact of the CoVID-19 pandemic on the business	Our plants in Gurugram, Daman and Pardi were closed in line with government directives on March 24, 2020. Our branch offices, corporate office and warehouse locations were also closed around the same time depending on local regulations. Accordingly, production was suspended at all of the locations. While the lockdowns and restrictions imposed on various activities were necessary to contain the spread, Since, the lockdown was implemented in the last 10 days of the last fiscal, minimal impact is seen on the financials of FY 2019-20. Further, ICRA in April 2020 has reaffirmed our ratings as BBB- for Long Term and A3 for Short Term. Outlook for the long term rating is “Stable” signifying high degree of safety regarding timely servicing of financial obligations.
2.	Ability to maintain operations including the factories/ units/ office spaces functioning and closed down:	Our plants at Daman, in the Union territory of Daman and Diu restarted operation in the last week of April, 2020. Our plant in Gurugram, Haryana restarted in mid-May 2020. These facilities are operating at partial capacity, with social distancing and hygiene norms implemented as per Government directives. The capacity is being enhanced on a gradual basis based on customer demand. There is an issue of migrant labour in the Gurugram plant which is the Company’s largest but these are being addressed on priority. The Company now has approvals to operate all its plants. The Company’s head office at Mumbai is currently operational with very minimal staff, all of the Company’s office staff is WFH ready and working accordingly. A robust Business Continuity Plan was already in place therefore minimal disruption was faced from the abrupt closure of the Head office in Mumbai.
3.	Schedule, if any, for restarting the operations and steps taken to ensure smooth functioning of operations:	All the facilities are now operational with capacity utilization in the range of 30% - 60%. Plants are being efficiently run to optimize cost and adhere to regulatory directives. The Company has developed a “Safe Work Guide” in line with directives issued by MHA, WHO and State Governments. The commercial operations are being gradually scaled up in line with requirements from customers. We expect the demand to pick up quickly based on inputs from customers and the plants are gearing up for quick scale up as and when required.

		International operations: Business operations of the company have been impacted due to lockdowns in US and the Europe markets, however most of our customers have opened up and fresh delivery schedules are being lined up. We are confident that international operations will be back on track by Q2 of this year.
4.	Safety Development and of Employees:	Safety of our employees and their well-being has always been paramount to us. During the CoVID-19 pandemic the Company has taken several measures to ensure their well-being. Most of our staff have been working from home during the lockdown. Employees have been provided with appropriate infrastructure to facilitate work from home. Digital medium of communication has been used extensively and the organization as a whole has evolved to work under the new normal. The organization had utilized this time productively by providing extensive online professional Training and Development programs, which has been well received. A group level Dashboard has been developed to monitor the situation and take actions, based on the requirement. In addition, it has been made mandatory for all employees to download the Aarogya setu app launched by the Government of India. A mix of Work From Home and Onsite working has been deployed as per requirements.
5.	Supply Chain & Vendor Management:	Company has been closely working with all the Vendors to resume & align production schedules and de-bottleneck supply chain concerns. The Company will continue to partner its vendors in endeavor to propel business forward amidst lockdown. The reverse migration of the migrant workforce poses challenges in the mid-term. We are working with our service vendors to ensure deployment of the workforce as and when the demand situation picks up.
6.	Commitment to Government/Society efforts in tackling COVID 19 pandemic:	The Company in its efforts to aid the community at large, has donated Rs. 5,51,000/- (Rupees Five Lakhs Fifty One Thousand) in the PM Cares Fund. This includes the donation from all employees of the Company who have donated their one day salary to the Fund.
7.	Estimation of the future impact of COVID-19 on its operations:	The Company is reviewing the ever-evolving Business landscape on a regular basis and has a dedicated COVID Task Force meets twice a week to review the impact. There will definitely be an impact due to the imminent shutdowns but the Company has added newer businesses even during the pandemic to add additional revenue. In these times, subject to a gradual re-opening the country, the Company anticipates normalcy to start setting in towards the end of Q2 FY 2020-21.

8.	Details of impact of COVID-19 on the Company:	
8.1	Capital and Financial resources-	The Company is having enough capital and adequate banking limits are in place.
8.2	Profitability	Profitability for Q1 FY 21 will be hampered due to the lockdowns, we anticipate to be back to normal by Q3 FY 21, however inherent risks continue. We continue to be agile and revisit our plans as the situation evolves.
8.3	Liquidity position -	The Company is currently in a comfortable liquidity position to meet its financial and other commitments and taking all required steps to manage the same.
8.4	Ability to service debt and other financing arrangements -	The Company is having working capital limits with the banks that are being serviced and we do not anticipate any issues with our ability to continue servicing the same. The Company has negligible long term loans and additional Emergency Credit Lines in line with the advisory by RBI, were made available by the banks. However, the Company has not opted for any moratorium on repayment or interest for any of its loans.
8.5	Assets-	The assets of the Company are secured and are in proper working condition. There is adequate insurance coverage on all our assets.
8.6	Internal financial reporting and control -	The Company already has robust Internal controls and has been strengthening the same during the current situation. The company uses SAP for its ERP and therefore no major impact has been faced by the Company in this area.
8.7	Supply chain-	The Company is not expecting any disruption in raw material supplies. It is continuously engaging with its suppliers to ensure optimum supply availability as we scale up.
8.8	Demand for its products/ services -	The Company is in the business of manufacturing Control cables and Gear shifters. Our supplies go directly to OEM's or to Tier I and the majority of our supplies are for two wheeler, Commercial and Passenger vehicle segments.. The Company has also added a few newer products to its portfolio in this fiscal and will keep looking for newer products and clients. The Company is positive and expects Automobile sector revenue will start picking up from the current low level once the lockdown is completely lifted and the trends given by the manufacturers look promising.

9	Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:	The Company believes it is comfortable in meeting its obligations and existing contracts/arrangements. At present, we do not anticipate that any contract/agreements will have a significant/material impact on the business in case of non-fulfilment of obligations by any party.
10	Annual Audited Accounts - FY 2019-20	Generally, the Company publishes its Annual Audited Accounts by 30th May of each year. However, due to the current situation the Board Meeting to adopt the accounts for the Financial Year 2019-20 would be held in June 2020.