

JAY BHARAT MARUTI LIMITED

Corporate Office :

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Ref. No: JBML/SE/20-21/11

Date: 14th July, 2020

BSE Limited
Phiroz Jeejeebhoy Towers
Dalal Street,
Mumbai – 400001

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

Scrip Code: 520066

NSE SYMBOL: JAYBARMARU

Sub: Disclosure of Material Impact of Covid-19 pandemic

Dear Sir/Madam,

Pursuant to Regulation 30 of LODR and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020, following are the brief details relating to the impact of the COVID-19 pandemic on the operations of the Company:

1. Impact of the CoVID-19 pandemic on the business:

The Company has informed the Stock Exchanges vide its letter JBML/SE/19-20 dated 25-03-2020 about the shutdown of manufacturing of plants and closure of offices. In the last month of FY 2020, the COVID-19 pandemic developed rapidly into a global crisis, forcing governments to enforce lock-downs of all economic activity, which had a major impact on the Company. Due to lower volumes and zero sales from 23rd March, 2020 to mid-May, there has been corresponding loss in production and business during the period.

2. Ability to maintain operations including the factories/units/office spaces functioning and closed down and Schedule, if any, for restarting the operations:

After getting permission from concerned authorities, we partially resumed our production operations from 12th May, 2020 after performing maintenance check and sanitization of all Plant & Machinery(ies), premises, equipments etc, with limited workforce. All the facilities are now operational with capacity utilization in range of more than 60%, plants are being efficiently run to optimize cost.

3. 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. Company has achieved its purpose of social distancing and benefitted through Artificial Intelligence (AI) in regard to combat spread of pandemic by way of creating awareness among employees, maintaining social distancing at work premises without manual monitoring. AI Cameras has been installed at premises, shop floor, entry gates of the company to capture images and checking temperatures

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Works :**Plant I :** Plot No. 5, MSIL, Joint Venture Complex, Gurgaon-122 015 (Haryana) T: +91 124 4887200, F: +91 124 4887300**Plant II :** Village & Post - Mohammadpur Narsinghpur, Sector 36, Gurgaon - 122 001 (Haryana) T: +91 124 4935300, F: +91 124 4935332**Plant III :** Plot No. 15-16 & 21-22, Sector 3A, Maruti Supplier Park, IMT Manesar, Gurgaon -122 051 (Haryana) T: +91 9999190423, 9899079952**Plant IV :** Plot No. 322, Sector - 3, Phase-II, GWC, Bawal - 123 501 (Haryana) T +91 8221004201, 8221004203**Regd. Office :** 601, Hemkunt Chambers, 89, Nehra Place, New Delhi - 110 019 T : +91 11 26427104-06. F : +91 11 26427100**CIN :** L29130DL1987PLC027342

of employees through thermal scanner without manual intervention. AI cameras also send alerts for violations in social distancing thus no manpower is required to monitor social distancing.

The Company has also been organizing virtual Yoga sessions for its employees. These sessions aimed at guiding the employees to lead a healthy & joyful living by using tools and tips to improve overall health, well-being, morale and productivity for achieving happiness in personal and professional life.

4. Estimation of the future impact of CoVID-19 on its operations:

The Company has been operating at low capacity from Unlock 1.0, hence there has been corresponding loss in production and business during the period. Operational activities have drastically decreased however, presently we are able to operate the plant by more than 60% capacity. The Company being Tier 1 component supplier to Maruti Suzuki India Limited (MSIL); the sale and demand depends on the production capacity of (MSIL). We faced a major decline in manufacturing activity in the first quarter of current financial year. However, the Company is ramping up in its production and sale, as the demand for personal vehicles is rising up due to pandemic spread. We expect to partly recover from the impact of shutdown this fiscal year.

5. Details of impact of CoVID-19 on listed entity's –

a. Capital and financial resources:

As the Company being Tier 1 Component Supplier to MSIL, there is no delay in realization of payments and similarly the Company also ensures to release the payment to its suppliers timely. The Company's capital and Banking facilities remain intact. There are no liquidity concerns as we have sufficient un-utilized Banking limits available. Further, ICRA has reaffirmed its credit rating of A1 for short term instruments and the rating for long term debt Instruments is A+ and indicating the outlook on the long term rating as "Stable".

b. Profitability:

Company's sales and demand depends on the Auto Sector. As MSIL is currently operating at single shift, consequently profitability will be low as compared to previous year figures. However, due to increase in demand of personal 2W/4W, we do hope the business situation should normalize during 3rd and 4th quarter.

c. Liquidity position:

As explained above, presently, the Company is in comfortable liquidity position to meet its financial and other commitments.

d. Ability to service debt and other financing arrangements:

The Company has been regular in meeting its interest and principal repayment obligations towards its bankers and the Company has sufficient working capital limits to meet financial requirements.



In view of the recent announcement on dated March, 22, 2020 and May 22, 2020 by RBI on benefits owing to COVID 19 situation in the country, M/s Jay Bharat Maruti Limited has availed the moratorium period on Term Loan and extended its repayment by 6 months i.e. 1 March, 2020 to 31st August, 2020 to maintain the smooth cash flow of the company .

e. Assets:

The Company is confident of realizing/recovering its assets. Further the company has postponed and deferred most of its capex requirements except those capex which are essential for its growth to ensure that the safety and sustainability of the business is not affected and such deferment of capex has not created any negative impact to the growth of the Company. The expenses incurred on development of new products are also on track.

f. Internal Financial Reporting And Control:

The Company has an adequate system of internal controls in place. It has documented policies and procedures covering all financial and operating functions. These controls provides a reasonable assurance with regard to maintaining of proper accounting controls for ensuring reliability of financial reporting, monitoring of operations, and protecting assets from unauthorized use. With "E-Cube Initiative" the company has identified and is rigorously monitoring the improvement areas across all Plants & Functions with a specific focus on all key elements of business that is EBIDTA, Excellence & Employees. The review of all the projects is being done by a CFT of the Top Management.

g. Supply Chain:

The Company has been closely working with all the Vendors to resume & align production schedules and resolve the supply chain concerns. The Company will continue to partner its vendors in endeavor to propel business forward amidst lockdown. Almost all our vendors are ready for production, based on end user demand.

The reverse migration of the migrant workforce poses challenges in the mid-term. We are working with our service vendors to ensure deployment of workforce as and when the demand situation picks up.

h. Demand for its products/services:

Presently we are able to operate the plant at more than 60% capacity. Manufacturing activity is below the normal. There is a gradual ramp up in the manufacturing activity which will improve further. We are expecting that demand will improve in 3rd and 4th quarter.

6. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:

The Company is meeting its obligations and existing contracts/arrangements. At present, we do not anticipate that any contract/agreements will have significant/ material impact on the business in case of non-fulfilment of obligations by any party.



In addition to above, as informed vide our letter dated 26.06.2020, the Company has adopted and approved the annual audited financial results in its Board Meeting held on 26th June, 2020 and the relevant disclosures of COVID 19 have been given in the Notes to the financial results.

The above is for your information and records please.

Thanking you.

Yours faithfully,
For **Jay Bharat Maruti Limited**


(Ravi Arora)
Company Secretary

