

June 5, 2020

<p>BSE Limited Corporate Relationship Department 1st Floor, P.J. Towers, Dalal Street Mumbai 400 001</p>	<p>National Stock Exchange of India Limited Listing Department-Corporate Services Exchange Plaza, 5th Floor, Plot No. C/1 Bandra Kurla Complex Bandra East, Mumbai 400051</p>
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Code No. 530367/ NRBBEARING

Dear Sir/Madam,

Subject: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with reference to SEBI Circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020

Further to our letter dated March 24, 2020, April 1, 2020 and May 5, 2020, we would like to inform you that all the plants of the Company are now operational, having received the necessary and requisite approval and permissions from the government and local authorities. Needless to say, we shall strictly adhere to the notifications and guidelines issued by the government from time to times towards safety and prevention of the spread of infection.

Pursuant to SEBI Circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, we would like to inform you the impact of COVID-19 pandemic and ensuing nation-wide lockdown on the Company as follows:

1. Impact of the COVID-19 pandemic on the business and ability to maintain operations including the factories/units/office spaces functioning and closed down:

The COVID 19 pandemic has had an unprecedented impact on the nation, the people and the economy and business. The government announced a stringent nationwide lockdown from March 25, 2020, to control the spread of COVID 19. However even before the nationwide lockdown, various state governments and local administrations had implemented different containment measures such as sealing borders, closing public places, suspending transport services and state-specific lockdown. Hence, the adverse impact of COVID 19 in form of fractured supply lines and demand decline has been felt from mid-March. The operations of the Company across manufacturing sites and supply chain locations were severely disrupted. Due to the manufacturing activities at the major automakers and original equipment manufacturers at near standstill, the second half of March 2020 and April 2020, saw almost Nil demand.

With the easing of the lock down instructions, and resuming of the operations in various plants the Company has gradually been able to operate at approx. 20-30% of normative levels in the month of May 2020. All our plants and all of our warehouses (except Kolkata warehouse) are now open with the requisite government permissions and adherence to highest safety standards. The Corporate/Head Office and Regional Offices of the Company are still availing the Work From Home facility.

Lockdown has severely impacted the Automobile and the Auto Component sector. This sector had been reeling under low demand conditions for the last fiscal and the lock down has hit the sector very badly. While we are seeing some demand revival in the farm equipment and off-highway categories and some demand in the export segment, the overall demand has contracted to a great extent and the exact time which these categories will take to recover fully remains to be seen.

2. Steps taken to ensure smooth functioning of operations

The Company has moved at speed to support its stakeholders and maintain operations through crisis and prepare for business in a new normal. The Company's utmost priority has been health, safety and well-being of our people and partners. The Company has rapidly implemented protocols for safe operations. Strict standards of access control, social distancing in supply, and use of Personal Protection Equipment (PPE) as well as strict hygiene and sanitization procedures are active across all our operations and adequate training has been provided to the workforce.

However, compliance with the restrictions on number of employees and the shift working hours permitted, has resulted in non-optimum capacity utilisation, which we expect will improve as lockdown conditions are gradually relaxed.

3. Estimation of the future impact of COVID-19 on operations

The future impact on the business operations is difficult to assess at this point, as the situation is unravelling at a fast pace and there are many uncertainties. However, the Company expects that its results and performance will be negatively impacted and it will take at least a year to ramp up demand. We are fully committed to working with the Government to ensure that we overcome this crisis. The Company is preparing for the changing world and the new normal. The current situation is very volatile and we are taking various steps to handle the difficult situation and hope to come out unscathed.

4. Details on impact of COVID-19

The Company has a healthy balance sheet. Cash generation and cash optimization is the priority of the Company in these times. The Company is systematically reviewing all areas of cash generation and usage and re-evaluating all costs in the prevailing circumstances.

The Company is judiciously managing its credit lines and debt and the Company expects, a negative impact on its profitability on the short term till demand revives and offtakes increase. However, the Company is completely able to service its debt and associated obligations and does not foresee any incremental risk. The pandemic has imposed incremental operating costs on the business. There has been no impact on the internal financial reporting and controls of the Company. The Company also does not foresee any incremental risk towards recoverability of its assets including inventory and receivables.

5. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact

The current business model is that Original Equipment Manufacturers (OEMs) in the mobility industry, advise the product wise volumes to be delivered from month to month based on their production plans. As the OEMs have not yet seen orders from their dealerships, their offtakes are yet lower than projected requirements committed by them in the past. We expect this to improve steadily in the next few months and subject to the same, do not foresee any significant impact from non-fulfillment of obligations under existing agreements. The Company is working on its readiness to fulfil its obligations with respect to all the existing contracts and agreements.

You are requested to take the above on record.

Thanking You,

Sincerely,

For NRB Bearings Limited



Shruti Joshi
Company Secretary

