



11<sup>th</sup> August, 2020

REF. NO. RACL/ BSE/ 2020-21

**The Manager - Listing**

**BSE Limited**

25<sup>th</sup> Floor, P. J. Towers,

Dalal Street,

Mumbai - 400 001

**Scrip Code: 520073**

**Subject: Intimation of Impact of Covid-19 Pandemic on the Company**

Dear Sir/ Madam,

In furtherance to our intimation to the Stock Exchange dated 27<sup>th</sup> March, 2020, 6<sup>th</sup> May, 2020 and 16<sup>th</sup> May, 2020 and pursuant to Regulation 30 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20<sup>th</sup> May, 2020; following are the brief details relating to the impact of the COVID-19 pandemic on the operations of the Company:

Sl. No.	Particulars	Disclosures
1.	Impact of the COVID-19 pandemic on the business.	The Company had shut its plants and offices due to the Lockdown ordered by the Central Government amidst the Covid-19 pandemic. This had significant impact on production, sales and working capital cycle. The Company is assessing the demand, availability of workers at its facilities, reconfiguring its facilities for effective social distancing and is working towards resumption of operations to normalcy at the earliest.
2.	Ability to maintain operations including the factories/Branch office spaces functioning and closed down	The Company re-opened its offices and plant location after the Lockdown was lifted under Government guidelines and took necessary measures to ensure safety of the employees and workers of the Company. All safety protocols of temperature screening, wearing of safety gears, social distancing, sanitizing and washing hands are being adhered to very stringently.
3.	Schedule, if any for restarting the Business operations	The Gajraula plant of the Company commenced its operation from 5 <sup>th</sup> May, 2020 and Noida Plant along with Corporate Office was also re-opened from 11 <sup>th</sup> May, 2020 as per Government Guidelines.
4.	Steps taken to ensure smooth functioning of operations	The working of the Company resumed in a restricted manner to ensure maximum safety while following the

**For RACL Geartech Limited**

*Shagun Bajpai*  
**Company Secretary**

Corporate Office : B-9, Sector-3, Noida, Uttar Pradesh-201301, INDIA • Phone: +91-120-4588500, Fax: +91-120-4588513

Registered Office : 15th Floor, Eros Corporate Tower, Nehru Place, New Delhi-110019, INDIA

CIN: L34300DL1983PLC016136

D-U-N-S Number: 65-013-7086



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		necessary guidelines from the Government.
5.	Estimation of future impact of COVID-19 on business operation of the Company	<p>Covid-19 impacted our production cycle as not only our plants were shut down, our Customers (Domestic and Exports) were also impacted by the Lockdown and altogether Covid-19.</p> <p>However, the Customers of the Company have now resumed operations and we will gradually be able to recover from the crisis. Considering the fact that the situation is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty, the future impact on its operations. However, the Company is confident about adapting to the changing business environment and respond suitably to fulfill the needs of its customers.</p>
6.	Impact on Financial Position & Profitability	Due to the suspension of operations our revenues & profitability has been impacted. In order to mitigate some of the impact, Company has taken various initiatives to manage its costs across the organization and also took actions to conserve resources. There had been some impact on receivable cycle from customers. However, the Company foresees no major risk given its high quality of customers.
7.	Impact on Liquidity position of the Company	The Company is currently in a comfortable liquidity position to meet its financial and other commitments. Company will continue to monitor the liquidity situation and if required, take appropriate steps to augment it further.
8.	Ability to service debt and other financing arrangements;	The Company did not avail the moratorium option provided by the Banks
9.	Impact on internal financial reporting and control	There is no lapse or change in our internal control system.
10.	Impact on Assets	Our assets and its valuation remain constant and have no impact due to Covid-19.
11.	Demand for products / services	The lockdown resulted in most of the Company's customers in India also having to shut their operations. The exports were also affected as the pandemic impacted the entire world. However, the sales to export customers is starting to resume and we hope to ramp up capacity utilization over the coming months. While the demand is at reduced levels, the Company is actively gauging the return to normal levels of demand with its customers. At this stage, while the things are resuming back to normalcy, we expect an increase in demand as personal mobility modes will make a strong comeback as safety concerns rise due to the pandemic.
12.	Disruption of Supply chain	The lockdown has affected their operations and most suppliers faced a shortage of resources. However the situation continues to improve due to lifting of lock down and relaxations given by the government. The

For RACL Geartech Limited



Company Secretary



		Company has been closely working with its vendors to resume & align production schedules and de-bottleneck supply chain concerns. The Company does not foresee any shortfall in its supplies due to the disruptions in the supply chain.
13.	Existing contracts /agreements	The Company is well positioned to fulfill its obligations and existing contracts/arrangements. At present, we do not foresee any contract/agreements which will have significant impact on the business in case of non-fulfillment of obligations by any party.

Kindly take this information on your record and acknowledge.

Thanking You,

Yours Faithfully,

**FOR RAEL GEARTECH LIMITED**

  
 SHAGUN BAJPAI  
 COMPANY SECRETARY & COMPLIANCE OFFICER  
 ICSI MEMBERSHIP NO.: A45982