

May 28, 2020

To,  
BSE Limited  
Phiroze Jeejeebhoy Towers  
Dalal Street, Mumbai 400 001  
**Code No. 500031**

National Stock Exchange of India Limited  
Exchange Plaza, Bandra Kurla Complex  
Bandra (East), Mumbai 400 051  
Symbol: BAJAJELEC  
**Option A NCDs: INE193E08038**  
**Option B NCDs: INE193E08020**  
**Option C NCDs: INE193E08012**

**Sub: Disclosure under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulations”), read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 by Bajaj Electricals Limited (the “Company”)**

Dear Sir / Madam,

Pursuant to Regulation 30 of SEBI LODR Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, we enclose herewith the disclosure on evaluation of the impact of Coronavirus (Covid-19) pandemic on the Company.

We hereby also state that the impact of Covid-19 pandemic on the Company will also depend on future developments that cannot be reliably predicted, including actions to contain or treat the disease and mitigate its impact on the economies of the affected countries, among others. The impact of global health pandemic might be different from what we estimate, and the Company will closely monitor any material changes to future economic conditions.

We request you to kindly take the aforesaid information on record.

Thanking you,

Yours faithfully,  
For Bajaj Electricals Limited

Ajay Nagle  
EVP & Head – Legal and Company Secretary

Encl.: As above.

**Pursuant to Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, brief details relating to the impact of the Coronavirus (Covid-19) pandemic and the resultant lockdown, on the operations of Bajaj Electricals Limited (“Company”) are as follows:**

**A) Restarting the operations, steps taken to ensure smooth functioning of operations, and estimation of the future impact of Covid-19 on operations**

Considering lockdown restrictions, the manufacturing and distribution facilities of the Company were temporarily shut down as per the local guidelines. The Company had moved to 'work from home' policy for its office employees. However, with subsequent ease in the lockdown restrictions by the Ministry of Home Affairs, Government of India, and various State Government Authorities, the Company saw partial resumption since early May, 2020 in accordance with the guidelines issued by the regulatory authorities.

At present, the Company has resumed operations at its manufacturing units at Chakan and Ranjangaon, some of the branches, and at all its 21 warehouses across the country. Most of the Company's EPC sites for Power Distribution, TLT and illumination are also operational now. Further, the manufacturing units of the Company's Subsidiary 'Nirlep' at Aurangabad and Company's Joint Venture 'Starlite' at Nashik have also partially operationalised with permission from appropriate local authorities.

All the facilities which are opening across the Company have been sanitised so that our people are safe and secure. The Company has set protocols regarding safe running of plants in adherence with the post Covid-19 guidelines issued by relevant authorities in the geographies in which we operate. All plants have implemented safety and hygiene protocols like wearing of face masks, social distancing norms and workplace sanitation to make sure that the health of our workers/employees is assured. Continuous awareness of these protocols among workmen/employees is being carried out. The protocols are being reviewed regularly and updated based on revisions in guidelines received from local authorities.

However, since this situation is exceptional and is changing dynamically, the management of the Company is not in a position to gauge with certainty, the future impact on its operations. The management of the Company expects the operations to remain sub-normal in the immediate future, with a possibility of intermittent disruptions based on the evolving situation and varying Government guidelines and permissions. The Company continues to closely monitor the situation and shall take appropriate action as per regulatory guidelines.

**B) Impact on Business performance**

The lockdown and restrictions imposed on various activities due to Covid-19 pandemic, while being a necessary measure to contain its spread, have also posed unprecedented challenges to all businesses and the business operations of the Company have been no exception to this.

The impact of Covid-19 has been disruptive on the operations of the Company. With the lockdown in many States/Union Territories across the country, the supply chains have been put under stress which has resulted in loss of business and temporary pressure on cash flows / liquidity / profitability / margins due to lower collection of receivables, operating expenses, payment obligations towards vendors and statutory authorities, etc.

However, since the markets have already opened across the segments and a clear upward trend is visible in daily sales numbers of our consumer durables, the management of the Company is quite confident that the business operations will pick up progressively.

**C) Capital and financial resources and liquidity position**

The Company has financial cushion to take care of immediate requirement of funds. Further, in the month of March, 2020, the Company had raised ₹ 349.94 crore through Rights issue, the proceeds of which were used primarily for repayment of debts. This has helped turnaround the balance sheet with reduced debt

and improved gearing ratio. Also, the Company has had a strong cash from operations due to its continued focus on consumer durables business and risk calibrated approach towards EPC segment, as given below: (₹ in crore)

Particulars	Sep-18	Mar-19	Sep-19	Dec-19	Mar-20
Borrowing	1331	1590	1462	1329	999 @
Equity	983	1056	997	1007	1356 @
<b>Debt-Equity ratio</b>	<b>1.35</b>	<b>1.51</b>	<b>1.47</b>	<b>1.32</b>	<b>0.74@</b>

Particulars	H1-FY 19	H2 -FY19	H1- FY20	Q3 FY20
Cash flow from operations	(471)	(150)	294	205

@- With rights issue adjustment in Dec'19 numbers. Cash from operation for Q4 of FY20 is not adjusted. The Company has successfully closed Rights Issue of ₹349 crore in March 2020. ₹330 crore is used for repayment of borrowings and ₹19 crore for other corporate purposes. Due to this, the gearing ratio has been improved considerably.

The Company has also implemented stringent cost control and cost optimising measures across the organisation to conserve cash to address any evolving situation resulting from the pandemic. Some costs which are discretionary in nature, curtailed / postponed for the short term.

#### D) Ability to service debt and other financing arrangements

The Company has not defaulted on any interest or loan repayment and does not foresee any issue in meeting the future obligations towards any of its lenders.

#### E) Business post Lockdown gets over

##### Consumer Products Business

In its consumer facing businesses, the Company deals in small ticket items and products of daily use such as fans, irons, food preparation/cooking appliances viz. mixers, food processors, blenders, juicers, cutters, cookware, pressure cookers, toasters, induction Cookers etc.; and lighting products like LED bulbs, LED battens, etc.

Post Covid-19, the management of the Company expects substantial change in the lifestyle and habits of the people across the world with growing need for being self-reliant. Like, to avoid the risk of contamination, people may start ironing their clothes at home, or they may avoid outside food and prefer home-made food. Lighting and fans are anyways part of day-to-day needs.

In view of this, the management expects relatively faster recovery in the Company's consumer product business. To support the immediate sales, the Company has requisite inventory in place to meet demand for a couple of months. Also, most of vendors of the Company have also resumed operation, presently with 30% - 35% capacity, which may take care of demand going forward.

Covid-19 pandemic may also lead to a shakeout and exit of many unorganised and small players from the market – leading to a greater consolidation amongst few big players including Bajaj. The 'Make-in-India' and 'Vocal-for-Local' movements may give a greater fillip to strong Indian brands such as 'Bajaj'.

##### EPC Business

The Company shall continue to have a calibrated approach towards the EPC Business. The management of the Company has taken a conscious decision to reduce the capital employed in the EPC business. Bidding for the new projects is done on a selective basis after considering the margins and ROCE / Working Capital required for the Project. The Company is in a continuous process of recovering Capital Employed from the EPC business and reducing its working capital - thus making it a cash-positive business.

Further, with regards to EPC segment, there are various relief measure and schemes announced by the Government of India in terms of additional funds to REC/PFC, extension of contract period by six months without any additional cost to the contractors, release of partial amount of BGs, etc. Timely implementation of these relied measures and schemes could be a big relief for the Company.

#### **F) Assets**

None of the assets of the Company have been impacted by Covid-19. Also, the Company does not foresee any challenge in realising/recovering its assets.

#### **G) Internal financial reporting and control**

The Company has an ERP system in place and all its locations are well networked. With a combination of critical staff working from locations, and all others working from home, all reporting systems worked without any significant disruption.

#### **H) Existing contracts/agreements**

The Company is well positioned to fulfil its obligations towards existing contracts/arrangements. At present, we do not foresee any contract/agreements which will have significant impact on the business in case of non-fulfilment of obligations by any party.

#### **Cautionary Statement**

*Statements given herein describing the Company's objectives, expectations or forecasts may be forward-looking within the meaning of applicable securities laws and regulations. Actual results may differ materially from those expressed herein. Important factors that could influence the Company's operations include actions to contain or treat the Covid-19 disease and mitigate its impact on the economies of the affected countries, demand and supply conditions affecting selling prices of finished goods, input availability and rates, changes in the government regulations, tax laws, economic developments within the country and litigation and industrial relations, among others.*