



# ASHNOOR TEXTILE MILLS LIMITED

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Registration No. : L17226HR1984PLC033384

July 4, 2020

Listing Department  
Bombay Stock Exchange  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai-400001

**Re: Disclosure of material impact of Covid -19 pandemic**

Dear Sir/Madam

Pursuant to SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, please find enclosed herewith disclosure on material impact of Covid -19 pandemic on the Company.

This intimation is for your intimation and record.

Thanking you.

Yours faithfully

For Ashnoor Textile Mills Limited

Suneel Gupta

Managing Director

DIN-00052084

79-A, Sainik Farms

W-3, Western Avenue

New Delhi-110062

Enclosed: as above

**Ashnoor Textile Mills Limited**  
**Disclosure of material impact of Covid -19 pandemic**

Pursuant to SEBI circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 on the disclosure of material impact of Covid -19 pandemic are as follows:

**1. Impact of Covid -19 impact on business**

The operations of the factory were closed from March 23, 2020 due to lockdown announced by Govt of India. Accordingly, the production and sales in the first quarter was badly affected. The work from home was carried on as far as banking operations and compliances were concerned.

**2. Ability to maintain operations and schedule of restarting the operations**

The ability to restart the operations was obstructed due to labour shortage and the holding up of orders by the buyers. The recall of labour which had gone to their native places was a big hindrance and restart of commercial manufacturing operations was done in the month of June 2020.

**3. Steps taken to ensure smooth functioning of operations**

The company is taking due precautions like Thermal checking, social distancing, sanitisation, compulsory mask wearing and other measures prescribed by SOP issued by Government of India. The efforts to recalling of labour are being made continuously and the proper communication with the buyers is being made to keep the inflow of orders intact in course of time. Strict check on the liquidity and finances of the company are enforced to ensure that there is no cash flow issue.

**4. Estimate of the future impact of covid-19 on its operations**

The first quarter is very badly impacted due to April being completely washout and the operations being very limited in the first quarter. So, the income from normal sales will be badly impacted. The current quarter of June to September is also likely to be subdued due to continued impact of Covid in USA particularly in the hotel industry which is the ultimate consumer of the company's product as it is exporting its products to USA. The working is likely to be normal in the second half of the financial year assuming that hopefully the impact of Covid will dilute to a great extent by that time.

**5. Capital and financial Resources**

The capital and financial resources of the company continue to be comfortable due to timely measures taken by the company. There are no liquidity issues. The banking operations are running smoothly although there has been some delay in receipt of payments from foreign buyers. The bank has offered the moratorium on term loan instalments which we have not opted and we are servicing all the interest and repayment obligations in the normal manner.



#### **6. Profitability**

The profitability of the business will be adversely impacted in the first quarter ending June and will be subdued in the second quarter also. The same will be moving towards normalcy in the second half so that the full year will show less than normal profits but there should not be losses.

#### **7. Liquidity**

As explained above, there are no liquidity concerns for the company as it has kept adequate reserves to meet the exigencies arising out of Covid.

#### **8. Ability to service debt and other financing arrangements**

It is servicing all the debt and other obligations in time. There are no overdue to the banks, financial institutions and private parties.

#### **9. Internal financial reporting and control**

The company has adopted requisite measures on overheads control and internal control mechanism on regular basis which has enabled it to be comfortable with liquidity although the profitability has been affected as explained above.

#### **10. Demand for its products and services**

The company is engaged in manufacture and export of terry towels which are ultimately consumed by hotel industry which has been badly affected by COVID. It will take time for the normal demand to revive and so the inflow of orders has been affected. The demand is likely to remain low in the first half and is expected to return to the normal levels in the second half assuming that some medical solution to the pandemic will come out by that time.

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