

Apbml/Sec./2020-21/07
28th May, 2020

To, Corporate Relationship Department, BSE Limited, P.J Towers, Dalal Street, Fort, Mumbai- 400 001 Company Code- 540824	To, National Stock Exchange of India Ltd. Exchange Plaza, C-1, Block- G, Bandra- Mumbai- 400 051 Company Code- ASTRON
---	--

**Sub : Advisory on Disclosure of Material Impact of COVID-19 : As per SEBI Circular dated
20th May, 2020**

Dear Sir / Madam,

Pursuant to SEBI Circular : SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020 we hereby submitting brief note on impact of COVID-19 on business prospective.

All the Industrial Activities started with face mask, face cover and social distancing with a bare minimum strength of men power and with conditions / directions / guideline issued by Ministry of Health and Family Welfare Govt of India and by Government of Gujarat with respect to preventive measures taken for this COVID-19. The company has taken proper steps to ensure smooth functioning of operations.

The company is assessing the future impact of COVID-19 on its operations, profitability liquidity position, future demand for kraft paper. Further, Company will keep updating impact on financial along with the quarterly and annual financial results.

For, Astron Paper & Board Mill Limited



Uttam Patel
Company Secretary

Reg Office:

D-702, Ganesh Meridian, Seventh Floor, Opposite:- High Court, S.G. Highway, Ahmedabad, Gujarat,
380060. Tel.:079-40081221 Fax :079-40081220

Email : cs@astronpaper.com
Website : www.astronpaper.com
CIN : L21090GJ2010PLC063428

28th May, 2020

From CMD's Desk



We are fortunate that the early actions of our PM NarendraModiji has enabled India to contain the spread of COVID19. Never-the-less it has had an unprecedented impact on our lives and operations. As we move towards normalcy, I wanted to reach out and update you on how we're approaching and responding to the situation.

Impact on Operations

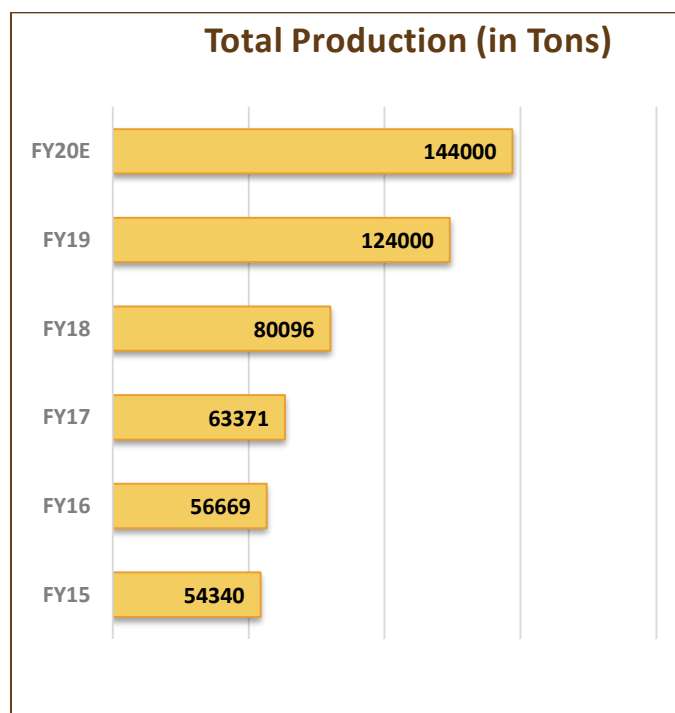
In line with government lockdown orders, we shut down operations at all or plants on 24th March, 2020. We immediately put in place a Business Continuity Plan and work-from-home taking all necessary steps to help our employees and their families remain healthy and safe.

We re-started partial operations and production on 16th April, 2020, while following the government guidelines of safety, sanitization and distancing. To counter the challenge of mobility cuts, we put in place staggered timings for essential staff.

Kraft paper is largely used in the packaging of essentials including Food, FMCG and Pharmaceuticals, the demand in these sectors is slowly returning. We continue to closely monitor the situation adapting our business operations.

FY2019-20 Impact

The shutdown impacted operations in the last week of March, hence the impact on FY20 was minimal and we ended the year with production with approx. 144,000 tons, 16% higher over the previous year.



Restarting Operations

Operations at our largest plant (PM1 & PM2) at Halvad and the Bhuj plant were re-started on 16th April and 08th April, 2020 respectively. This was done with bare minimum manpower and following all preventive measures as prescribed for COVID-19 as per the conditions / directions / guideline issued by the Ministry of Health & Family Welfare Government of India and Gujarat State Government.

Production has been gradually stepped up and currently we are operating at around 70% of our installed capacity at both plants. At both factories we have provided accommodation at site, in accordance with the mobility restrictions.

Outlook for FY2020-21

We expect the H1FY2020-21 to bear the full brunt of the Covid-19, impacting both Revenues and Profitability. As you are aware, consumer demand has declined across sectors on a global basis. This has resulted in global Kraft paper prices remaining soft. Indian Kraft paper prices which broadly track global prices, have also remained muted.

On the other hand our costs have gone up, both operational expenses and raw-material cost. The supply chain disruption and rupee depreciation has resulted in higher cost of raw-material imports of waste paper. These costs have not been passed on entirely as of now to our customers.

Our main raw-material which is largely imported, is currently facing additional costs with ports and CFS not following government orders to waive ground rents. We continue to bear additional cost to clear cargoes from ports compared to routine, with disruption in transportation and slow documentation. We are tracking the situation closely and continue to closely engage with our partners on a daily basis to monitor the situation and effectively manage supply chain disruptions. We remain optimistic of early stabilisation of supply chain and demand revival.

We are well prepared to gain market share in the Kraft paper industry as demand bounces back. We have over the last couple of months worked on developing a number of new import substitute products both for the local as well as export market.



Exports

As the Chinese market and logistics opens up, we are optimistic of reviving our exports in a big way. In Dec.2019 we signed an agreement with Shandong Zhongui Supply Chain Management Co Ltd, China (brand ABC Paper).

This agreement offers us the opportunity to get technology and upgrade our manufacturing facilities to global standards and expand our product portfolio.

Our efforts are already reflecting in our growth in export contribution, in FY20 export volumes have accounted for around 19% of total sales volume.

Stable Liquidity Outlook

We have taken pro-active measures to strengthen our liquidity, to smoothly tide over any unforeseen situation. We have availed of the moneterium on Cash Credit interest and instalment as per RBI policy, availing of additional credit facility of Rs.3.10 crore under the Covid credit line.

Our Debt Equity ratio remains comfortable around 0.64x and believe we should be able to maintain this ratio in H1FY2020.

Our company was founded on core values ~ trust, customer success, innovation, and equality ~ and our values are unwavering and continue to guide everything we do. On behalf of all of us at Astron Paper, we're committed to being your partner and persevering together in all the days and years ahead.

As we go forward, we'll be sure to keep you updated and value your questions, ideas and feedback. We would like to thank all our stakeholders for your support and continuing confidence in our efforts.

Stay Safe,

Kirit Patel

ABOUT: ASTRON PAPER & BOARD MILL LIMITED

Incorporated in 2010 under the MOU of Vibrant Gujarat, the company is one of the largest recycled kraft manufacturer in India. It listed on BSE and NSE in Dec.2017.

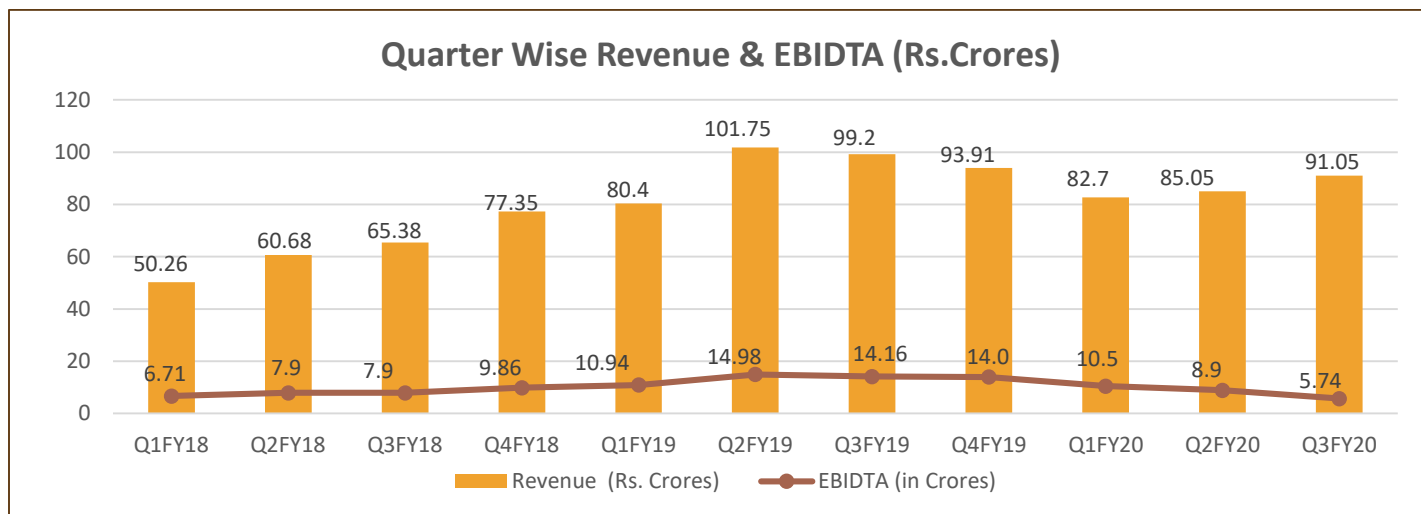
The company has its Corporate Head Office in Ahmedabad and brings together three manufacturing units with four paper machines at three different and strategic locations in Gujarat, namely in HALVAD (PM1 & PM2), BHUJ and MEHSANA with an industrial capacity of approximately 176000/ton annually and currently providing employment to nearly 800 people across plant locations.

Kraft paper is used in packaging solutions in sectors including FMCG, Pharma, Food and Oil among others. Within a short span of time, under the visionary leadership of Mr. Kirit Patel, Chairman and Managing Director, the company has developed a name and brand in packaging paper with innovative corrugated paper solutions.

HALVAD PLANT (PM1 & PM2)



Historical Quarter-Wise Financial Data



For more details:

Please visit: www.astronpaper.com ; [@PaperAstron](https://twitter.com/PaperAstron)

For any Investor Relations query please contact:

Uttam Patel, Company Secretary, Email: cs@astronpaper.com

Vidit Gupta, Investor Relations, Email: vidit@valuewiseir.com

Disclaimer: Certain statements in this document may be forward-looking, these are subject to certain risks and uncertainties like regulatory changes, local political or economic developments, and many other factors that could cause our actual results to differ materially from those contemplated by the relevant forward-looking statements. Given these risks, uncertainties and other risk factors, viewers are cautioned not to place undue reliance on these forward-looking statements. Astron Paper & Board Mill Limited will not be in any way responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events.