



# NITIN SPINNERS LTD.



June 01, 2020

BSE Limited  
Department of Corporate Services  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai – 400 001

National Stock Exchange of India Limited  
Exchange Plaza,  
Bandra Kurla Complex  
Bandra (E),  
Mumbai – 400 051

Company Code – 532698

Company ID – NITINSPIN

Ref : **Intimation under Regulation 30 of (Listing Obligations and Disclosure Requirements) Regulations, 2015**

Dear Sir/Madam,

Pursuant to the provisions of Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, following are the brief details relating to the impact of COVID-19 pandemic on the business, performance and financials of the Company:-

### **Impact of COVID-19 Pandemic on Business**

Due to lock-down/disruption of manufacturing/business activities across the world and in domestic market, demand has been affected adversely, planned shipments/dispatches held-up.

### **Impact on Manufacturing Operations of the Company**

The company's manufacturing plants & offices were completely shut down from 22nd March, 2020 to 19th April, 2020.

### **Schedule for restarting the operations**

The operations have partially started w.e.f. 20th April, 2020 and gradually increasing the capacity utilization levels.

### **Steps taken to ensure smooth functioning of Operations**

The company has infrastructure for housing nearly 900 employees at Hamirgarh Unit and 1000 employees at Begun Unit, which ensures minimum disruption. Due to extended lockdown, nearly 40 % of migrant labour has left for their native States. The company is fulfilling the requirement of work force by employing labour residing in nearby places and

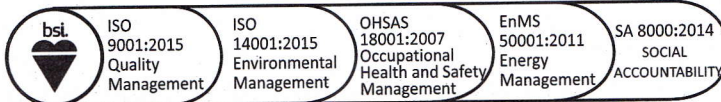
CIN. : L17111RJ1992PLC006987

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migrant labour coming to Rajasthan from other States. The company has arranged transportation facility for workers and staff for nearby places for smooth operations of the Company.

The company follows all safety measures as prescribed by authorities under COVID-19 guidelines.

### **Impact on operations**

#### **1. Financial Year ended 31st March, 2020**

Production & sales was disrupted from 22nd March, 2020. The estimated production loss was asunder:-

- (a) Yarn 1800 tons
- (b) Knitted Fabrics 175 tons
- (c) Finished Woven Fabrics 6.5 Lac Mtrs

Estimated loss of revenue was Rs 45 crores during the lock-down period from 22<sup>nd</sup> March, 2020 to 31st March, 2020 and correspondingly operating margins have been impacted. The company continued to incur fixed costs including employee costs hence the profitability will also be affected to that extent and same shall be reflected in Annual accounts which are under preparation.

#### **2. Current Financial Year 2020-21**

As submitted above the manufacturing activities have partially started w.e.f. 20<sup>th</sup> April, 2020. The Company is gradually increasing the utilization levels as per market situation and demand. The demand from Export markets is picking up however demand from domestic markets has not yet revived due to extended lockdown. During the period till full operation starts, there will be production and revenue losses and correspondingly loss of operating margins and fixed expenses including Employee costs.

The exact impact on profitability for June Quarter is still to be quantified and shall be reflected in quarterly financial results for quarter ended 30th June, 2020.

### **Liquidity Impact**

The realization of sale proceeds has been affected in domestic markets, as there was complete lock-down, export proceeds also delayed in some markets. Due to nearly no recovery from domestic markets, liquidity position has also affected. As permitted by RBI &



Bank, the company has availed moratorium for payment of installment of Term Loans due on 31st March, 2020 and Interest on Term Loans for the month of April, 2020 and May 2020. As further permitted by RBI and banks, the Company also plans to avail moratorium for term loan instalments and Interest on term loan due on 30th June, 2020. All other financial obligations are paid as per schedule.

### **Security of Assets**

All properties, Stocks etc. of the company are fully secured and insured.

### **Internal financial reporting and Controls**

The company continues to follow internal financial reporting and control procedure by means of employees partially working from home and partially from office during the period of lock-down.

### **Estimation of future impact**

Due to disruption of recession activities throughout the world and lack of consumer demand in International and domestic markets, will affect demand for company's production in current year, the exact impact of which cannot be ascertained presently. It is expected that there will be good demand for textile products once situation across the globe normalizes, the company is equipped to capitalize on that on the strength of its state of art technology, large scale of operations, and widespread customer base across geographies and focus on quality.

Thanking you,

Yours faithfully

For : Nitin Spinners Ltd.



**(Sudhir Garg)**  
**Company Secretary & GM (Legal)**

