

Regd. Office & Corporate Office : 373, Industrial Area-A, Ludhiana - 141 003 (INDIA)
Phones : 91-161-2600701 to 705, 2606977 to 980 Fax : 91-161-2222942, 2601956
E-mail : secnsm@owmnahar.com Web Site : www.owmnahar.com
CIN No. : L17115PB1980PLC004341 GST No. : 03AAACN5710D1Z6

NSML/SD /2020

June 26, 2020

National Stock Exchange of India Limited Exchange Plaza, 5 th Floor, Plot No. C/1, G-Block, Bandra-Kurla Complex, Bandra (E), Mumbai-400051.	BSE Limited. Phiroze Jeejeebhoy Tower, Dalal Street, Mumbai-400001.
Symbol: NAHAR SPING	Scrip Code: 500296

Sub.: Intimation under Regulation 30 of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 - Disclosure on impact of CoVID-19 pandemic

Pursuant to Regulations 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations"), and amendments thereto, read with SEBI Circular No. SEBI/HO/CFDI CMD1/CIR/P/2020/84 dated 20th May, 2020, an update relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the operations of the Company and the current status is attached.

You are requested to take the same on record.

Thanking You,

Yours faithfully,

For NAHAR SPINNING MILLS LIMITED




BRIJ SHARMA

COMPANY SECRETARY & COMPLIANCE OFFICER

Encl: as stated

Regd. Office & Corporate Office : 373, Industrial Area-A, Ludhiana - 141 003 (INDIA)
Phones : 91-161-2600701 to 705, 2606977 to 980 **Fax :** 91-161-2222942, 2601956
E-mail : secnsm@owmnaahar.com **Web Site :** www.owmnaahar.com
CIN No. : L17115PB1980PLC004341 **GST No. :** 03AAACN5710D1Z6

COVID-19 Pandemic Situation- Update on Operations

Current Operational Status

In Compliance with the Central and State Government directives regarding the nation-wide lockdown, and as intimated in our earlier communication to stock exchanges, the Company had temporarily closed its manufacturing facilities and corporate office from 23rd March 2020 to prevent the spread of Novel Coronavirus ("Covid-19"). The Company post receipt of approval from concerned authorities in the State of Punjab and Madhya Pradesh and subject to fulfilment of certain conditions has partially resumed operations of its manufacturing facilities in the State of Punjab and Madhya Pradesh in April, 2020.

In-line with the Government's safety and security norms from Covid-19, the Company's offices and factories are now operational. We are currently operating at 80% capacity utilisation with a limited workforce at our factories. The Company is trying to ramp up the capacity further as early as possible.

Considering that the situation is unprecedented and is changing dynamically, the Company is planning production based on its estimate of demand in the domestic as well as export market. The company has experienced lot of cancellations and renegotiations in its export and local contracts. Besides lot of receipts from local buyer are also held up. However, healthy credit terms with our suppliers help us operate the business smoothly.

Employees Safety

The Company has taken various measures to take care of the livelihoods of workers and their safety and security. The steps include providing masks, hand sanitizers, disinfectants, conducting regular temperature checks and being very vigilant on workers and essential visitors at our operational facilities. The Company has also emphasised on providing medical facilities to workers inside the factory premises, and sanitization and fumigation in the whole factory.

New Products

The Company's product development team in May 2020, launched a Personal Protective Equipment (PPE Kit), considering its shortage and massive demand from medical workers and the general public due to Novel Coronavirus (COVID19).

Liquidity Position

The Company is confident in the underlying strength of its business model, and that its medium-term liquidity needs are well covered. The Company continues to enjoy a comfortable net cash position. With adequate banking limits in place, the Company's ability to service its debts and financing obligations on time remains unaffected.



Regd. Office & Corporate Office : 373, Industrial Area-A, Ludhiana - 141 003 (INDIA)
Phones : 91-161-2600701 to 705, 2606977 to 980 **Fax :** 91-161-2222942, 2601956
E-mail : secnsm@owmnahar.com **Web Site :** www.owmnahar.com
CIN No.: L17115PB1980PLC004341 **GST No. :** 03AAACN5710D1Z6

Financial Performance

The COVID-19 pandemic followed by the nation-wide lockdown announced by the Government has impacted the Company's operations. The last eight days of March and April, 2020 witnessed significant disruptions in the business and operations of the Company. The company is dealing with challenging times and continuous efforts are being made to meet the challenges ahead.

For the Financial Year ended on March 31, 2020, the Company has earned Revenue from Operations of Rs. 2090 crores as compared to Rs. 2318 crores for Last Year. During the year ended 31st March, 2020, Company has suffered a loss of Rs. 53 crores (after tax) as against profit after tax of Rs. 66 crores.

Future outlook

The Company continues to evaluate the impact of the pandemic as the situation evolves. The Company is not in a position to gauge with certainty, the future impact on its operations but expects that there shall be an adverse impact in H1FY21 due to the economic slowdown and lower demand. However, management is making continuous effort to minimise the impact of COVID-19 for the full financial year 2021.

The Company has implemented stringent cost control measures across the organization to conserve cash to address any evolving situation resulting from the pandemic. The Company is hopeful to sustain normal growth without any significant capex. While the safety and well-being of employees is our priority.

We have a regular internal financial reporting process and controls which are running efficiently through the use of technology. The Company is fully geared to withstand the challenges as the situation unfolds on the back of its financial and operational strengths.

For Nahar Spinning Mills Ltd.

A blue ink signature of the Company Secretary, written over the printed text 'Company Secretary'.