



HARISH TEXTILE ENGINEERS LIMITED.

CIN No.: U29119MH2010PLC201521

June22, 2020

Manager-CRD
The Bombay Stock Exchange Ltd, Mumbai
PhirozeJeejeebhoyTowers,
Dalal Street, Mumbai – 400001

Script Code: BSE 542682

Sub: Disclosure of material impact of COVID–19 pandemic under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

With reference to above, we are enclosing herewith the Disclosure of material impact of COVID–19 pandemic under as per SEBI circular dated May 20, 2020 having reference no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 and Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, for Harish Textile Engineers Limited.

Kindly acknowledge the receipt for the same.

Thanking you,

Yours faithfully,

For **Harish Textile Engineers Ltd.**

Sandeep Gandhi
Managing Director
Din No.: 00941665



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Disclosure of material impact of COVID-19 pandemic under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

1. Impact of COVID-19 on the business

- a. Harish Textile Engineers Limited (HTEL) is engaged in four business segments.
- b. Post declaration of lock down by the Central and State Authorities:
 - a) The factory at Umbergam, Gujarat for manufacture of Textile Processing Machinery was shut down on 23.03.2020. This factory resumed partial operations from 15.05.2020. Presently, this factory is scaling up the operations and it is expected that in the next few weeks the levels of production pre-COVID shut down would be attained.
 - b) The Factory at Umbergam, Gujarat for manufacture of Non-woven Fabrics shut down on 23.03.2020. This factory resumed partial operations from 28.04.2020. The factory is presently working at about 45% of the capacity and is scaling up the operations and it is expected that in the next few weeks the levels of production pre-COVID shut down would be attained.
 - c) The factory at Gonde – Dumala, Igatpuri, Maharashtra for manufacture of PSF shut down from 22.03.2020. This factory resumed partial operations from 18.05.2020 with only 10% presence. The factory is presently working at about 30% of the capacity and is scaling up the operations and it is expected that in the next few weeks the levels of production pre-COVID shut down would be attained.
 - d) The trading business volumes have suffered in the Post lock down period due to closure of various trade channels, supply chains etc. However, this business too is expected to resume in the next couple of weeks.

2. Ability to maintain operations:

- a. The customers for all the businesses have been gradually opening up and supply and logistics chains are also being gradually restored.
- b. Arrangements have been made for most of the staff to work from their homes.
- c. High standard of health and hygiene and all the preventive measures as recommended by the authorities are strictly maintained.

Regd. Office : 19, 2nd Floor, Parsi Panchayat Road, Andheri (East), Mumbai-400 069, India, Tel.: 022-28367151, 022-40373003
Plot No. 103/1, Umbergaon-Sanjan Road, Raikhadi, Dist - Valsad, Umbergaon-396 170, Gujarat. Tel.: 0260-2562960 • www.harishtextile.com
GSTIN No.: 24AACCH6330B1Z8



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- d. Barring unforeseen events taking place HTEL is fairly hopeful of maintain and gradually scaling up its operations.

3. Steps taken to ensure smooth functioning:

The Company has put in place strict standard operating procedures for COVID-19 ensuring the following:-

- Thermal Screening of all Employees;
- Sanitizing the premises and vehicles on regular basis;
- Distribution of masks to our factory workers;
- Maintenance of social distancing at all work places;
- Enforcing wearing of masks and regular cleaning of hands;
- Regular update of the health of all the Employees and their Families;
- Asking all Employees to have AarogyaSetu App.

In addition to above, the Company have implemented the Standard operating Procedures, which is strictly being followed across all the Units and Workplaces and we have also designated officials responsible for ensuring the compliances to the Guidelines, Rules and Regulations issued by Central as well as State Government on COVID-19 from time to time:

The Company has been regularly conducting awareness programs for all its Employees.

All Customers and Vendors of the Company have been communicated about the measures taken by the Company through mails / Oral Communications.

4. Estimation of the future impact of COVID-19 on the operations:

- a. There has been adverse impact on the productions, sales and hence profitability of the Company during the lock down period.
- b. Following the progressive lifting of lockdowns and relaxations being announced in various states, the production volumes are picking up. The customers are also scaling up their businesses and hence the sales of all the businesses are gradually picking up. The Supply and logistic chains are also being gradually restored.
- c. HTEL has also embarked upon cost optimisation.

5. Details of impact of COVID-19 based on certain performance parameters

- a. **Capital and financial resources and other assets-** As per the current assessment there is some impact on company's financial resources due to lock down in the April and May months of current financial year. However, the

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- a. **Capital and financial resources and other assets-** As per the current assessment there is some impact on company's financial resources due to lock down in the April and May months of current financial year. However, the company is in the process of raising funds from its bankers and other sources to ensure that the company has adequate financial resources to overcome the adverse impact caused by the present global pandemic. There has been no adverse impact on the assets of the company.
 - b. **Profitability-** There could be an adverse impact in the period during which the factories of the company were totally shut down. However, the operations of the company are gradually scaling up. Company has also taken several cost optimisation measures and couple with the funds that the company is in the process of raising, the company is hopeful of restoring normalcy of operations and profitability in the next few weeks.
 - c. **Liquidity-**The Company is in the process of raising additional working capital facilities pursuant to the schemes announced for MSME sector. The company is also in the process of raising various other funds. Pursuant to completion of these exercises, the Company is fairly expected not to have much liquidity issues.
 - d. **Ability to service debts-** Pursuant to the company raising the funds as outlined above, and banks and other financial institutes offering moratoriums, the company will be in a position to service all its debts.
 - e. **Assets-** No assets of the company are adversely impacted.
 - f. **Internal Financial Controls-**The financial control systems are in place and there has been no adverse impacts on the same due to the pandemic.
 - g. **Supply chain-** Supply chain are gradually getting back to normal levels.
 - h. **Demand-** Demand for all the business segments are witnessing gradual improvement and are expected to come back to normal levels in the next few weeks.
6. **Impact on contracts/agreements-** The Company does not expect any significant impact on the existing contracts/agreements.
7. **Other relevant material updates-** In keeping with the present demand trends the company has commenced production of Masks and PPE and it is expected to scale up the production of these two products in due course
8. We may clarify that this is a developing situation the management keeps a close check on and evaluates the situation on day to day basis.

Thanking You,

Yours Faithfully,

For Harish Textile Engineers Limited


Sandeep Gandhi

Managing Director

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