

July 9, 2020

To,

**The Manager,
Corporate Relations Department,
BSE Limited**
Phiroze Jeejeebhoy Tower,
Dalal Street, Fort,
Mumbai – 400 001

**The Manager,
Listing Department,
National Stock Exchange of India Limited,**
Exchange Plaza, Bandra-Kurla Complex,
Bandra (East),
Mumbai – 400 051

Scrip Code: 512519

Scrip Code: DONEAR

Ref: Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read along with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020.

Sub: Impact of CoVID–19 pandemic on the Company.

Dear Sir,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 and further to our earlier disclosures on the subject dated March 30, 2020 and May 30, 2020, an update relating to the impact of CoVID 19 pandemic and the resultant lockdown, on the operations of the Company and the current status is hereby enclosed.

You are requested to kindly take the same on record.

Thanking you,

Yours faithfully,

For **Donear Industries Limited**



Ashok Agarwal
Chief Financial Officer



DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

Sr. No.	Particulars	Disclosures
1.	Impact of the CoVID-19 pandemic on the business;	<p>The lockdowns and restrictions imposed by State / Central Government due to CoVID – 19 pandemic have posed many challenges to the business of the Company.</p> <p>The Company's operations were hit, significantly since 1st day of lockdown till the 2nd week of May 2020, when lockdown was gradually lifted. Corporate offices, retail operations and manufacturing units / plants were fully shut during the period.</p> <p>Further, as the situation in the country is getting worse day by day due to corona virus and it seems like for a few more months this pandemic is going to evolve and it is tough to estimate the exact/overall impact on the business of the Company.</p>
2.	Ability to maintain operations including the factories / units / office spaces functioning and closed down	<p>Company's few plants started its operations by end of April 2020 and other in mid of May 2020 after taking all necessary precautions on health care of employees and other parameters as stipulated in the government directives.</p> <p>Few of Company's retail outlets outside Mumbai have started operations from mid of May 2020. Our Corporate Office at Mumbai was un-operational till 8th of June, 2020. The Company has initiated work from home for the employees working at corporate office since the lockdown was in force.</p>
3.	Schedule, if any, for restarting the operations	Company's Corporate Office has started partially resuming its operation gradually with the lifting of lockdown
4.	Steps taken to ensure smooth functioning of operations	<p>restrictions and that too with reduced capacity and working hours, adhering to hygiene and safety norms in order to ensure the safety of its employees and strictly following the guidelines issued by Ministry of Corporate Affairs or Government of India, from time to time.</p> <p>Moreover, the employees or workers living in containment zones were not called for work and suggested to stay at home and protected.</p>
5.	Estimation of the future impact of CoVID - 19 on its operations	<p>The current situation of COVID-19 which is very exceptional, unprecedented and is changing dynamically, it seems difficult for the company to estimate the future impact on its operations.</p> <p>But equally, there is a positive hope that though volume or sale may come down from their average level, but will not</p>



Sr. No.	Particulars	Disclosures
		<p>disappear. Once life is back to normal, people are expected to shop as a feel-good element after months of lockdown and depression.</p> <p>For Company, some of the new challenges are safety, lack of supply and demand in addition to liquidity crunch but also has a new opportunity to innovate, start and grow the business of medical textile products.</p>
6.	Details of impact of CoVID - 19 on Company in respect of following factors –	
	<ul style="list-style-type: none"> ○ Capital, financial resources and Liquidity position 	<p>The Company begin to take several initiative to bring down costs and conserve cash. These initiatives are well under way and the Company is expected to get benefits in near future.</p> <p>Further, there will be no liquidity concern, as the Company has approached bankers for revision in DP and also enhancement in limit which the Banker's have agreed to.</p>
	<ul style="list-style-type: none"> ○ Profitability 	<p>The gradual release of lockdown has not given any impact on the market. Till the release of cure for CoVID-19, the market will be adversely affected, hence the Profitability of the Company will be adversely affected for the Current Year. The Quantum of the impact on profitability under such uncertainty cannot be ascertained to the full extent.</p>
	<ul style="list-style-type: none"> ○ Ability to service debt and other financing arrangements 	<p>The Company has planned its financials and the company does not foresee any difficulty to fulfill all its obligations as per existing schedule of the Bank without opting for moratorium.</p>
	<ul style="list-style-type: none"> ○ Assets 	<p>There is no impact of the Assets of the Company due the outbreak of COVID-19.</p>
	<ul style="list-style-type: none"> ○ Internal financial reporting and control 	<p>There is also no impact on internal financial controls due to the COVID-19 situation. The internal financial controls are the same as earlier. However the management is closely monitoring their cash flows and putting every efforts in improvising the same.</p>
	<ul style="list-style-type: none"> ○ Supply chain 	<p>With the gradual relaxation of the lockdown, the Company does not foresee any difficulty in the supply chain and assumes post CoVID-19 the local and global- market of textile industry should improve to the best of all times.</p>
	<ul style="list-style-type: none"> ○ Demand for its products / services 	<p>We have the branded products well known in the textile market, the demand for its products and services will always be there. This is a temporary reduction in sales due to lockdown and the scenario of the impact of CoVID-19.</p> <p>The Company is confident the demand as prevailed earlier will be there post the eradication of CoVID-19</p>
7.	Existing contracts / agreements	Company's productions have started in the end and mid of



Sr. No.	Particulars	Disclosures
	where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business	April and May 2020 at plants located in the state of Dadra Nagar and Haveli and Gujarat, all the obligation of the previous orders are taken care, however supplies are made with prior permission of the dealers depending on the situation in their respective areas.
8.	Other relevant material updates about the listed entity's business	The Company in the midst of the CoVID-19 has launched a modern type of fabric known as NEO-TECH Fabrics which kills virus that accumulates on the cloth within 30 minutes. This has created a sensation in the textile market and most of the garment manufacturer's are approaching the Company for procurement of Fabrics for their garment.

For Donear Industries Limited

Ashok Agarwal
Ashok Agarwal
Chief Financial Officer

