



# GINNI FILAMENTS LIMITED

CIN : L71200UP1982PLC012550

CORPORATE OFFICE: D-196, SECTOR-63, NOIDA-201 307, INDIA

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GFL/SEC/  
June 5, 2020

National Stock Exchange of India Ltd.  
Exchange Plaza, 5<sup>th</sup> Floor,  
Bandra Kurla Complex,  
Bandra (East)  
**MUMBAI – 400 051**  
**Scrip Code: GINNIFILA**

**Re.: 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:**

With the spread of COVID-19 pandemic, the whole world put curbs on business and other activities including Lockdowns. Government of India also announced Lockdown to contain the spread of disease. Before the lockdown, our business operations were running on a normal scale but due to the unprecedented situation owing to the spread of COVID-19 across the globe, both domestic and export markets were affected as the retail trade and movements of goods and citizens were curbed due to lock down in our country as well as other countries from Mid March onwards. The curbs have still not been fully lifted and therefore the impact of COVID is still continuing.

The operations of Companies manufacturing units with essential goods were not substantially affected. However, the yarn, fabric and garment manufacturing units remained closed during lockdown period and now are operating on partial capacities.

#### **Ability to Maintain Operations & Schedule of re-starting**

The Company had suspended operations at its manufacturing units i.e. Garment Unit (Noida), Process House and Spinning (Kosi) in Uttar Pradesh and Non-woven (Panoli) in Gujarat due to lockdown. However CPD Unit – (Haridwar) in Uttarakhand was perating in March with partial capacity as per the Government approval. Subsequently, nonwoven unit at Panoli (Gujarat) become operative in April as per capacities approved by the Government and other constraints of lockdown,

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while spinning and fabric processing units at Kosi (UP) and Garment unit at Noida (UP) commenced operations in May as per Government approval.

## Step taken to ensure smooth functioning of Operations

The Company had started operations at its manufacturing plants located in the State of Uttar Pradesh, Uttarakhand and Gujarat in a phased manner as per the Government & local administration's guidelines. Upon res-starting of the operations, necessary guidelines related to health and hygiene of the employees were adhered to mainly covering social distancing norms, screening, sanitization and self-quarantine etc.

## Estimation of the future impact of COVID-19 on operations:

Due to the disruption caused on account of Lockdown and global slowdown as aforesaid the operations of some of the plants of company are running at partial capacity and production will be enhanced in a phased manner based on customer demand, availability of raw material and manpower etc. At this juncture, it is difficult to estimate the exact future impact of COVID-19 pandemic and resultant slow down of business activities.

## Details of Impact of COVID-19, based on certain performance parameters

### Capital and financial resources and liquidity:

Company has reasonable level of financial resources and liquidity to meet out its obligations to all stakeholders. Further, Government and RBI is also announcing various measures to take care the temporary liquidity issues which company is in the process of availing. Company sees no difficulty in managing its working capital requirements for its existing capacity operations.

### Profitability:

The financial results of the company for nine months were already published as per LODR guidelines and financial results for the year 2019-20 are under compilation. The profitability of the company may be marginally affected adversely in short terms during first half of year 2020-21 and company hope for a better profitability in medium and long term. Company is working hard for better capacity utilization, for exploring new buyers and for cost reductions wherever possible for ensuring better profitability.

### Ability to service debt and other financing arrangements:

With current financial resources and liquidity company sees no difficulty in serving the debt and other financial obligations.

### Assets

All assets of company are in good shape for running them for full capacity utilization.

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## Internal financial reporting and control:

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. Audit systems are also in place

## Supply chain:

Due to lockdown situation, supply chain of the Company has been impacted. The Company is in continuous touch with all the stake holders to bring the supply chain to its normalcy. Further with the relaxations in the lockdown the supply chain is likely to improve significantly and company sees no difficulty to maintain its required supply chain

## Demand for its products:

The demand of company's products in yarn, fabric and garment division was largely affected till now. However, there are signs of gradual improvements and company hopes for the revival of the same within next 2-3 months. Demand for technical textile and consumer product division is in line with the available capacities.

**Existing contract /agreement where non fulfillment of the obligations by any party will have significant impact on the listed entities business**

Company expects to fulfill all obligations under existing contracts /agreements.

Thanking You,

Yours faithfully,  
**for GINNI FILAMENTS LTD.**

**BHARAT SINGH**

**Company Secretary & Compliance Officer**