GTN INDUSTRIES LIMITED

(A Government recognised 'TWO STAR EXPORT HOUSE')
CIN : L18101TG1962PLC054323, GSTNo:36AAACG8606N1ZB
Corp. Off : Plot No.29, Nagarjuna Hills, Punjagutta,
Hyderabad - 82. Telangana, INDIA. Phone:+91-40-43407777
Email:sharedept@gtnindustries.com , Website: www.gtnindustries.com

REF : GTN:SE/Reg.30[Covid-19]/:2020
Date: 10-07-2020

To,
The Manager.
THE NATIONAL STOCK EXCHANGE INDIA LTD.
Exchange Plaza, 5th Floor, Plot No.C/1,
,G-Block, Bandra Kurla complex,
Bandra (E),
MUMBAI - 400 051

Dear Sir(s),

Sub: Updated Discloser of Material Impact of Covid-19 Pandemic under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015
Ref: Company Scrip Code: 500170/GTN IND.

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This is with reference to your email dated 8th July, 2020 , we herewith submit the updated disclosures of material impact of COVID-19 Pandemic on the operations and performance of the Company complying the norms of SBEI circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020,

We request you take on record the same.

Thanking you,

Yours faithfully,

For GTN Industries Limited

(P.PRABHAKARA RAO)
Company Secretary
Encl: a/a

DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

Pursuant to the SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May,2020, on disclosure of material impact of COVID-19 pandemic are as follows:-

S.No.	Particulars	Disclosures
1	Impact of the COVID-19 Pandemic on the business	The Company's manufacturing facilities remained shut from 22th March 2020 due to lockdown and re-opened w.e.f. 2nd May, 2020 at Medak unit and 26th April, 2020 at Nagpur unit., which has impacted its operations during the periods. Some of the Company's domestic and export order are pending and on hold as per requirements of buyers. However, Company is expected to get orders and clear the pending orders.
2.	Ability to maintain operations including the factories / units / office spaces functioning and closed down	The Company has restarted its operations in both the factories considering order book and available workforce adhering to the safety norms prescribed by Government of India.
3.	Schedule, if any, for restarting the operations;	The Company resumed the operation of its production facilities with lower capacity utilization, adhering to the safety norms as prescribed by the Government of India. • The company is ramping up the production capacity utilization gradually. This will depend on market condition, global economy, supply chain support, availability of labour etc. In light of all these unprecedented events owing to the spread of COVID-19, we feel it will take another few months to utilize the production capacity at optimum level.
4.	Steps taken to ensure smooth functioning of operations	All safety protocol related to COVID-19 as advised by the government are being implemented. • The Company has issued safety guidelines for its employees and workers. • Detailed shop-floor precautions & safety systems have been implemented with appropriate training to staff and workmen. • Factory roads and entrance areas are being regularly sanitized. • Social distancing norms being strictly followed at factories and offices. • Sanitization and thermal screening of employees, truck drivers, other entrants and sanitization of loading vehicles at the entry gate of factories.

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Company Secretary

		• From the time of commencement of the lockdown, employees have been working from home and necessary infrastructure has been provided • All IT Security Protocols are in place and all systems were being monitored remotely. • Frequent communication to all employees regarding safety protocols- including use of Arogya Setu app
5.	Estimation of the future impact of CoVID-19 on operations	April 2020 being lockdown month, the revenues and profitability of the Company are likely to be adversely impacted. As the Company is fully dependent on yarn and the business situation is very dynamic, the same is being monitored closely. Though we do hope the business situation should normalize during 3rd quarter onwards.
6.	**Details of impact of COVID-19 on our entity:-**	
6.1	Capital and Financial Resources	The Company's capital and Banking facilities remain intact. The Company' has availed moratorium for the period from March 2020 to August 2020 as facilitated by the RBI Guidelines to overcome liquidity stress. Further, the company has been sanctioned fresh term loan under Cent Covid Sahayata of Rs. 5.21 crores which is repayable in Two years period with a moratorium of 6 months. The Company does not foresee any liquidity concerns. However, the company is witnessing delay in receivable collection from buyers as buyers are extending payment terms.
6.2	Profitability	In view of lock down, the profitability during 1st Quarter (April to June) is likely to be adversely impacted. As the business situation is very dynamic and depends on domestic and export orders, the same is being monitored closely. Though we do hope the business situation should normalize during 3rd quarter onwards.
6.3	Liquidity Position	The Company has taken steps to ensure that it has adequate liquidity to meet its financial and other commitments • In the short term, the cash position of the Company is good, and the liquidity is assured, having enough unused credit facilities. • As permitted by RBI & Bank, the Company has availed additional moratorium of six months for payment of Term Loans and Interest thereon and

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		deferment of payment of interest on working capital facilities. • Company has been sanctioned of COVID-19 additional limit equal to 10% it's fund based Working Capital facilities from its lending partners. The banks have also reduced the margin by 10% on stock & receivables for calculation of Drawing Power.
6.4	Ability to service debt and other financing arrangements	The Company has availed moratorium for the period from March 2020 to August 2020 as facilitated by the RBI Guidelines to overcome liquidity stress. The Company does not foresee any liquidity concerns. Though the cash position is challenging, with our limits and tight control over expenditure, the company will be able to serve its debt and other financing arrangement.
6.5	Assets	There has been no significant change in the fixed asset positions of the Company, however realization of current assets i.e. stocks and receivables from customers has been a challenge. The Company is taking all possible steps to ensure liquidation of stocks and the collection from receivables.
6.6	Internal financial reporting and control	There is no impact on internal financial controls due to the COVID19 situation. The management is reviewing the position every day. Additional security staff from independent agency were deployed during lockdown. The senior officers living near the factory in Company owned premises were there to ensure such controls. The company has taken cash flow control and overhead control measure to manage the operations, weekly review mechanism adopted to review the account receivables and measure taken to control the capital expenditure.
6.7	Supply Chain	COVID-19 pandemic has halted the operation worldwide there has been serious disruption during March and April 2020. It may go further worse if the pandemic is prolonged. However, the situation is improving gradually with Central & States relaxing lockdown norms
6.8	Demand for products	Company is producing yarn, The overall demand/consumption in the domestic and international market is likely to be impacted.

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		There is temporary reduction in demand due to lock down, which we expect to improve from 3rd quarter onwards.
7	Existing contracts/ agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:	The Company does not foresee any significant impact in respect of its existing contracts and agreements where the non-fulfilment of Obligations by any party would lead to any material financial claim.
8	Whether loss/damage covered by Insurance or not including amount	The impact of COVID-19 is not covered under Insurance.
9	Other relevant material updates about the listed entity's business	The Company has been regularly updating the Stock Exchanges about its business.

For GTN Industries Limited

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Company Secretary