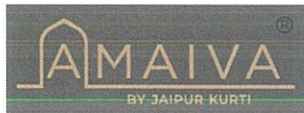


# Nandani Creation Limited



SYMBOL: NANDANI  
ISIN: INE696V01013

Dated: 10.06.2020

To,  
The Manager-Listing Department,  
The National Stock Exchange of India Limited,  
Exchange Plaza, NSE Building,  
Bandra Kurla Complex,  
Bandra East,  
Mumbai-400 051  
Fax: 022-26598237, 022-26598238

Subject: Disclosure of Material Impact of COVID-19 pandemic on the Company under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Dear Sir/Ma'am,

Pursuant to Regulation 30 of the 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, please find enclosed herewith the disclosure of Material Impact of COVID-19 pandemic on the operations and performance of the Company.

This is for your information and records.

Yours Faithfully,  
FOR NANDANI CREATION LIMITED

Nandani Creation Limited

Director

ANUJ MUNDHRA  
CHAIRMAN & MANAGING DIRECTOR  
DIN: 05202504

CIN No.: L18101RJ2012PLC037976



G-13, AARNA-3, Kartarpura Industrial Area,  
Bais Godown, Jaipur -302 006 Rajasthan INDIA



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RAJASTHAN

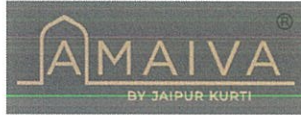
MAHARASHTRA

KARNATAKA

HARYANA

WEST BENGAL

# Nandani Creation Limited



## MATERIAL IMPACT OF COVID-19 PANDEMIC ON OPERATIONS AND PERFORMANCE OF THE COMPANY

### **1. IMPACT OF THE COVID-19 PANDEMIC ON THE BUSINESS:**

The COVID-19 pandemic has posed unprecedented challenges all over the world. All societies, industries and businesses are impacted, and our Company "Nandani Creation Limited" is no exception. Due to the sudden lockdown all the operations of the Company were disrupted since the last week of March, 2020. This impacted the production and sales of the Company.

### **2. ABILITY TO MAINTAIN OPERATIONS INCLUDING THE FACTORIES/UNITS/OFFICE SPACES FUNCTIONING:**

Subsequent to receipt of permissions from the authorities, the Company resumed operations by adhering to the safety norms prescribed by the Government of Rajasthan and Ministry of Health Affairs Govt. of India. The Company is taking serious measures in view of the COVID-19 pandemic to ensure safety and health of our employees and to ensure compliance with various directives issued being issued by Central/State/Municipal authorities.

All the facilities, which are resuming across the company, have been sanitized so that our people are safe and secure. All safety protocols of temperature sensing, wearing of safety gears (masks, goggles, face shields), social distancing, sanitizing and washing hands are being adhered to very stringently.

Wherever possible company has given work from Home option and some employees are still working from Home.

### **3. SCHEDULE IF ANY FOR RESTARTING THE OPERATIONS:**

The Company has already restarted the operations albeit in a phased manner. However production will be based on current inventory level and demand estimate. In a short term, therefore it is expected that the manufacturing activities will be below normal level. It will take time for the business to reach the pre lockdown level.

As stated in the Intimation and the Outcome of the Board Meeting Dated 14.04.2020, the Company has started manufacturing Personal Protective Equipment Kits also in order to serve the nation and has taken required certificates such as GMP, ISO & CE from the agencies.

The Company is in the process of importing the N95 Mask Making Machine and our production for the same will be starting by the end of June, 2020.

### **4. STEPS TAKEN TO ENSURE SMOOTH FUNCTIONING OF OPERATIONS:**

The Company is taking utmost care of its staff and work force has put in place strict monitoring process for COVID-19 ensuring the following:

- Enforcing wearing of masks and regular cleaning of hands;
- Thermal screening of all employees and visitors;
- Sanitizing the premises and vehicles on regular basis;
- Regular update of the health of all the employees and their families;
- Maintenance of social distancing at all Work places;
- Downloading and updating the Arogya Setu App by each and every Employee.

Nandani Creation Limited  
  
Director

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## 5. ESTIMATION OF THE FUTURE IMPACT OF COVID-19 ON ITS OPERATIONS.

Considering the fact that the situation is exceptional and is changing dynamically, the Company is not in a position to predict with certainty the future impact on its operations. The Quarter 1 and Quarter 2 performance is likely to have its impact on the annual performance for the F.Y. 2020-21.

If the Lockdown gets eased further going forward, Company expects to gradually come back to its original level of operations in the upcoming months.

## 6. DETAILS OF IMPACT OF COVID-19 ON COMPANY:

### 7. Capital and Financial Resources

There are exceptional delays in payment receivables, which affecting the financial position of the Company. This increased the requirement of working capital and resources will get stretched due to this. The Company has availed the Moratorium facilities from the various NBFC's in order to combat with this situation.

### 8. Profitability

Due to sudden lockdown, factories and other operations were closed from the last week of March this year and has impacted production and sales of the Company. So the profitability during the 1<sup>st</sup> & the 2<sup>nd</sup> Quarter is likely to be adversely impacted.

As the business situation is very dynamic the company is closely monitoring it. Though we do hope the business situation should normalize during the 3<sup>rd</sup> & 4<sup>th</sup> Qtr.

### 9. Liquidity position:

This pandemic circumstance hit and closed our factories during this lockdown period which affected the production and sales of the Company and the same is effecting the liquidity position of the Company. Also the delayed receipts of payments have impacted the liquidity position of the Company and the cash position will be under stress. The Company is planning to restrict the production based on the market demand and also reduce the overhead cost proportionately.

### 10. Ability to service debt and other financing arrangements

The Company has applied for the Moratorium Facility in accordance with the recent Government/RBI Announcement dated March 27, 2020 & May 22, 2020 respectively. However the Company has applied for the various Loans under COVID-Emergency Support Scheme and Emergency Credit Line Guarantee Scheme provided by the various Government Banks in order to manage the financial arrangements of the Company.

### 11. Assets:

Company will assess further CAPEX requirements once situation improves and will arrange necessary funding.

#### a) Internal financial reporting and control:

The Company has a sound internal financial reporting and control mechanism, and wherever applicable additional controls are being added to address the current situation. Even during the lockdown with employee working from home, all reporting systems including financial reporting worked seamlessly without any disruption.

#### b) Supply chain:

The Supply chain is affected due to logistics and is likely to improve with gradual unlocking of the economy.

#### c) Demand for its products/services:

Demand in market is adequate as the Company deals with the ethnic Indian wear consisting of Kurtis, Dresses, Suit Sets, Patiala Salwars, Salwar Kameez, Dupattas, Palazzos and a wide variety of Bottoms, however domestic demand is expected to improve post lifting of complete lockdown in the country.

Nandani Creation Limited

Director

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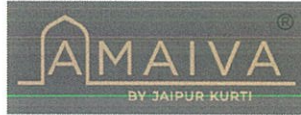
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**d) Existing contracts/arrangements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business.**

The Company is well positioned to fulfil its obligations and existing contracts/arrangements. At present, we do not foresee any contract/agreements which will have significant impact on the business in case of non-fulfillment of obligations by any party.

**e) Other relevant material updates about the listed entity's business:**

As already stated above, the Company has started manufacturing Personal Protective Equipment Kits also in order to serve the nation and has taken required certificates such as GMP, ISO & CE from the agencies.

The Company is in the process of importing N95 Mask Making Machine and our production for the same will be starting by the end of June, 2020. The certification for the same has already been applied with the required agencies.

The above submission has been delayed due to time consumed for critical analysis of the effect of the pandemic at the different operating levels of the Company and the Company as a Whole.

Please acknowledge the receipt of the same.

Yours Faithfully,

FOR NANDANI CREATION LIMITED

Nandani Creation Limited

Director

ANUJ MUNDHRA

CHAIRMAN & MANAGING DIRECTOR

DIN: 05202504

CIN No.: L18101RJ2012PLC037976



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