HINDOOSTAN
MILLS

June 12, 2020

General Manager,
BSE Limited,
Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai 400 001

Scrip Code: 509895

Dear Sir,

SUB: DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

Pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, please find enclosed herewith disclosure on material impact of COVID-19 pandemic on the Company. The above is for your information and record.

Kindly acknowledge receipt.

Thanking you,

Yours Faithfully,
For **HINDOOSTAN MILLS LIMITED,**

S/D
KAUSHIK N KAPASI
Company Secretary & Compliance Officer
FCS 1479

Encl: As above

DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

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

1. **Impact of the COVID-19 pandemic on the business :**
   Some of the export consignments lined up for shipments during March 2020 could not move from factory due to Covid-19 lock down position. Local sales were also impacted adversely. Thus on account of Covid-19 pandemic we have lost sizeable sales in the March 2020. As result of which the financial performance for quarter ended March 2020 also affected adversely.

2. **Ability to maintain operations including the factories/units/office spaces functioning and closed down; and Schedule, if any, for restarting the operations :**
   The company started partial operations with reduced capacity on 8th May 2020 and gradually scaled up the operations despite the difficulty in availability of manpower, the company is able to operate at about 20-25% capacity at the moment. The company has taken precautionary measures to safeguard health and safety of employees. It has also permitted work from home to some staff.

3. **Steps taken to ensure smooth functioning of operations :**
   All steps to maintain health and hygiene of workmen and staff at plant have been implemented at plant. These include provision for checking of body temperature at entry, washing of hand, provision of sanitizers, disinfecting of all incoming people, material and vehicles, provision of masks to all workmen and staff and maintaining of social distancing etc. Places for resting has been provided for all workmen who need to come ahead of duty time or leave later in order to avoid lockdown hours.

4. **Estimation of the future impact of COVID-19 on its operations :**
   The revenues and profitability of the Company are likely to be adversely impacted.

5. **Details of impact of COVID-19 on listed entity's :**

   5.1 - Capital and financial resources
   The Company is comfortable on capital and financial resources front. However, the company is witnessing delay in receivable collection from buyers as buyers are extending payment terms.

   5.2– Profitability
   There will be adverse impact on it profitability margin.

   5.3– Liquidity Position
   The Company may face a short term liquidity crunch due to disturbed Operations of the company.

5.4- Ability to service debt and other financing arrangements
The Company is debt free company and using Cash Credit Facility for short term working capital requirement.

5.5– Assets
Company has secured all the assets and are in working condition.

5.6– Internal Financial Reporting and Control
All the internal financial reporting and control systems have been working without any major disruption.

5.7– Supply Chain
At present, the Supply chain of the company is also affected due to Global Lockdown in the World. However, the company is positive and hopes that it will get normalized as the governments restrictions will lift up.

5.8– Demand for its products / services
There is temporary reduction in demand due to lock down, which we expect to improve in 3rd quarter and normalise by 4th quarter.

6. **Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business :**
   The Existing contracts/agreements, where non-fulfilment of the obligations by any party will not have significant impact on the business of the company.

7. **Other relevant material updates about the listed entity's business :**
   There are no other material updates at this stage.