winsome
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Ref. No. WTIL/SECT/20/
Date: 31st July, 2020

To
BSE Limited
PJ Tower, Dalal Street
Fort, Mumbai - 400001

Subject: Disclosure under regulation 30 of SEBI (LODR), Regulations, 2015.

Dear Sir,

Pursuant to regulation 30 of SEBI (LODR) Regulations, 2015, please find enclosed herewith disclosure regarding Material Impact of Covid-19 Pandemic on the Company.

You are requested to take the same on your record.

Thanking you,

Sincerely yours,
For Winsome Textile Industries Limited.

WINSOME TEXTILE INDUSTRIES LIMITED
CHANDIGARH

Videshwar Sharma
Company Secretary
ACS-17201

Encls: - *a/a*

Material impact of Covid-19 pandemic:

The COVID-19 pandemic is the most defining global crisis in living memory. The spread of the virus disrupted the global economy and consumer sentiment starting December 2019. The virus was declared a global pandemic by the World Health Organisation on 11th March 2020.

Most global governments declared lockdowns in successive phases. The Indian government implemented a national lockdown in late March 2020, which covered the comprehensive closure of offices, factories, transportation and public places.

The Company operated 3 manufacturing units across 2 locations in Himachal Pradesh. As the company's products do not fall under essential category, the Company's factories were temporarily shut after 23rd March, 2020 and reopened on 9th April, 2020. There was no pandemic impact on the operations of the hydro power generation unit of the company since the same was covered under essential services. Until then, the Company's operations were normal and had strong business pick up with high capacity utilisation.

For the nine months ended 31st December 2019, the Company reported a total income of Rs. 508.70 Crores with profit before tax of Rs. 13.50 Crores and profit after tax of Rs. 7.11 Crores on a consolidated basis. The lockdown in the last week of March impacted topline as well as bottom line and is expected to have further impact on the Company's performance in 2020-21.

Restarting operations:

The Company restarted its operations across its all manufacturing units on 9th April, 2020, adhering to all the safety protocols mentioned by the Central and respective State governments. The Company started with reduced capacity and has now achieved around 75% capacity utilisation in Spinning Units, around 60% in Dyeing Unit and around 40% in Knitting Unit. The Company is taking further initiatives to ramp up production at the earliest.

The Company expects that the overall business scenario to remain bleak in the short-term, which, the Company expect to withstand based on its inherent strengths.

Ensuring smooth functioning of the operations:

As the government commenced unlocking of the economy, the Company is making efforts to establish its supply chain impacted due to COVID-19 pandemic. The Company is maintaining the required sanitization measures at the workplace in addition to mandatory temperature screening and physical distancing measures to ensure workplace safety.

Estimated future impact of the pandemic on its operations:

With the evolving daily realities, it is difficult to predict the exact impact of the pandemic on the performance of the company. We expect that 2020-21 will be challenging. The Company is taking all the necessary measure to minimise the impact of the COVID-19 pandemic.

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Details of impact of CoVID-19 on capital, financial resources, liquidity, profitability, internal financial controls, Supply Chain and demand for company's product :

The Company has a comfortable liquidity position to meet its commitment with adequate banking limits at present. The Company has implemented organisation-wide cost optimisation measures to conserve cash and address the challenging situation arising out of the pandemic situation. The Company has availed moratorium facility for initially 3 months and again for further 3 months till August '20 for repayment of term loan instalments and interest and also availed COVID Loan from consortium member banks amounting Rs. 21.995 Crores as per RBI guidelines to meet short term liquidity mismatch.

The Company has been in continuous communication with all its customers to revive demand. The Company is working towards restoring the supply chain to ensure its products reach the existing and new customers. The Company is working on enhancing product efficiency and development of new products.

The Company is leveraging its robust technological infrastructure to mitigate the impact of the pandemic. There is no impact on internal financial controls due to the pandemic.

The Company is working with its vendors to bring the supply chain to normalcy. The Company expects that as the impact of the pandemic wanes, the supply chain will improve further. The Company has already seeing an increase in order inflow as well increase in enquiries. With the various governments across the world taking initiatives for recovery of the respective economies, the Company expects gradual recovery in from both domestic and international markets.

Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on its business:

The Company is positioned comfortably to service its existing contracts and arrangements.

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