

## **Nandan Denim Limited**

### **COVID-19 Business Update**

Nandan Denim Limited (NDL) has been monitoring the COVID-19 outbreak since early February and had invoked its Risk Management Framework quite early to minimize the impact on its business and stakeholders. The World Health Organization (WHO) declared coronavirus a pandemic due to widespread of the outbreak. The situation arising out of this outbreak is unprecedented and dynamic.

NDL has a well-defined policy in place keeping in view safety & health of employees and business commitments. We are continuously engaged with our customers all over to ensure continuity in delivering. We have been fully complying with all the government advisories and recommendations.

#### **Business Operations:**

- While the previous quarters numbers are yet to be quantified, we expect that there shall be an adverse impact, due to various factors like COVID-19, closure of plant for more than a month at one of our plants owing to the fire accident which happened on February 8, 2020, etc. Though we had received permission to operate the plant in mid-March.
- The Company restarted operations with available work force adhering to the safety norms prescribed by Government. Orders for this quarter have been largely on track as significant part of the closures occurred during late March to mid-April. Some of the Company's pending orders were on hold during the period, however, upon opening of factories we able to dispatch the same.
- The Company is monitoring possible knock-on effects on production and deliveries and will try to mitigate the same.
- The Company is constantly monitoring the business situation. We hope the situation shall normalise during 3<sup>rd</sup> and 4<sup>th</sup> quarter.

#### **Production Capacity:**

- The plant has resumed trial operation on April 24 and May 2 (Bareja and Piplej respectively) in order to cater to future requirements of customers. Running plant at optimum level seems to be challenging.

#### **Employees:**

- All our employee are based in India and majority of them are enabled to work from home. In certain locations, a limited set of employees are working from our offices, observing Standard Operating Procedures permissible by Government and local authorities.
- Our HR department has been very proactive by constantly communicating with our employees and monitoring their health.

#### Working Capital:

- The Company's capital and banking facilities remain intact. There are no liquidity concerns as we have sufficient balance available and Banks have offered additional limits.
- Company is witnessing delay in trade receivables as payment terms are being extended, hence, cash position may observe stress.
- The Company is well equipped to fulfil its export commitments.
- We have sufficient cash and undrawn line of credit from our Banks.
- We have also received moratorium from our Banks.

#### Marketing:

- We have been guiding our marketing team in the wake of COVID-19 outbreak. Our marketing team has been constantly communicating with customers / dealers to turn crisis into opportunities. They have been conducting meetings through video conferencing, telephone, etc. They have continued booking orders with domestic and international brands. Though sales are expected to rise after malls, street vendors and others start operating.
- Our Product Development Team has launched a new range of fashion protective denim for 'new normal life' after COVID-19. The new fabric is anti-virus and anti-bacterial treated, and also provides protection from COVID-19 virus to major extent

#### Internal Financial Reporting:

- Weekly review mechanism has been adopted to review the accounts receivables and measures have been taken to control capital expenditure. We have identified areas for cost reduction and several initiatives have been taken in this regard.

#### Management Reponse:

- While safety and well-being of employees is our first priority, we have given utmost importance to incident management and stakeholder communication. All departments are in constant touch in order to take inputs and to ensure business continuity. We have been interacting regularly with our suppliers, customers, employees, bankers and other authorities. Communication and transparency are critical and we promise to abide by the rules.
- We have implemented various safeguard measures including restrictions on travel, working from home policies, strict health measures like sanitisation, thermal scanning, etc. at our plants and following enhanced hygiene protocols. Making such major changes was difficult but necessary to ensure business continuity.
- We have created a dedicated crisis team to take care of and handle unforeseen events.
- We appreciate and support the steps taken by the Government for controlling the spread of the epidemic.

#### Social Responsibility:

- Chiripal Group has contributed Rs. 1.00 crore to Gujarat CM Relief Fund
- We have undertaken sanitisation activities in nearly villages
- The Group has supported more than 50,000 people with sanitizers and soaps, and donated towels to more than 20,000 people
- The Company supplied food grains to more than 2500 families and distributed food packages to more than 50,000 people
- The Group has distributed masks to more than 50,000 people

We are confident that our business model will help us to emerge stronger. Our best wishes for safety and best of health to everyone and we hope for the earliest end to the crisis. We are in this together and we will get through this together.

About Nandan Denim Limited ([www.nandandenim.com](http://www.nandandenim.com)):

Nandan Denim Limited (NDL) is India's leading manufacturer of Denim Fabric. Company commenced its operations in 1994 with textile trading business and forayed into textile manufacturing in 2004. Nandan Denim is engaged in manufacturing of denim fabric, shirting fabric and yarn, etc.

NDL is a part of leading conglomerate, Chiripal Group, established in 1972 and is currently diversified across several businesses like Textiles, Chemicals, Packaging, Infrastructure and Education. Headquartered in Ahmedabad, Gujarat, NDL has denim manufacturing capacity of 110 MMPA and spinning capacity of 141 TPD. Apart from this, NDL also has shirting capacity of 10 MMPA and dyeing capacity of 10 TPD.

The Company has two state-of-the-art manufacturing facilities in Ahmedabad, Gujarat and exports its denim fabric to over 27 countries. A team of around 3000 passionate & motivated individuals drive Nandan Denim Limited.

**For further information, please contact:**

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