

KOTHARI INDUSTRIAL CORPORATION LIMITED

CIN No.L24110TN1970PLC005865

"Kothari Buildings" No.114/117, Mahatma Gandhi Salai

Nungambakkam, Chennai - 600 034

Ph : +91 44 2833 4565 | Fax : +91 44 2833 4581

E-mail :enquiries@kotharis.in | www.kotharis.in



29.07.2020

To,

BSE Limited

P.J. Towers, Dalal Street, Fort

Mumbai-400 001

Scrip Code: 509732 (BSE)

Sub: Disclosure of material impact of COVID 19 pandemic on the Company's Business and its operations

Ref: 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

Impact of the COVID 19 pandemic on the business:

The spread of novel coronavirus disease (COVID 19) has severely impacted businesses in India and abroad. The regular business operations have been disrupted severely due to lockdowns, restrictions in transportation, supply chain disruptions, travel bans, social distancing and other emergency measures. The company on its part took pro-active steps from the 3rd week of March 2020 onwards in creating awareness of maintaining hygiene, cleaner environment, social distancing, etc. and strict adherence to the rules of the government relating to lockdown. The Operations were shutdown at places as per the Governments Directions / Notifications.

Impact of the COVID 19 pandemic on the operations of the Company:

The operations of the company have been stopped from the last week of March 2020 as per government directives. The pandemic situation has affected the normal business operations of the Company and production, sales and profitability, inter alia, have been impacted.

Schedule, if any, for restarting the operations:

Factory and Offices are operating with the permitted minimum level of workers/staff, as stipulated by the Governmental authorities, from time to time.

Estimation of the future impact of COVID 19 on its operations:

The current COVID 19 situation and the re-introduction of lockdown in certain parts of Tamil Nadu, it is very difficult to predict how the economic growth will be in the immediate two quarters.

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Steps taken to ensure smooth functioning of operations:

The work places at factory, Offices have been sanitised to ensure disinfection and Standard Operating Procedure has been in place before resumption of operations. The Company is providing masks, and other safety apparatuses, apart from sanitizers, disinfectants, and others at regular intervals Thermal scanning to the Employees, Social distancing and sanitisation of Hands and wearing masks by all Employees in all the divisions of the factory and Offices are strictly adhered to. Awareness Campaigns are conducted on COVID 19 and social distancing in the factory and Offices. Disinfection of Vehicles, Equipments, Machinery and tools in the factory, work places in all offices has been periodically carried out. Factory and Offices are operating with the permitted minimum level of workers/staff, as stipulated by the Governmental authorities, from time to time.

Details of impact of COVID 19 on the Company:

The Company has proactively taken various measures in respect of cost reduction, cost control, reduction of capital expenditure and effective working capital management. The Company ensures that such measures will not have any impact on the overall operations and effective functioning of the business. The Company is maintaining stock of inventories in factory at optimum level to meet production requirements.

Capital and Financial Resources:

The Company, in the normal course of its business, may raise/obtain financial resources/facilities, from time to time, term loan and other instruments/facilities for meeting its various business purposes including expansion and working capital and other requirements of the Company.

Profitability:

The Company is expecting that with the easing of lockdown in stages by the Governments, the demand for the product will get stabilised into normal levels in due course of time. Once the demand picks up, the Company will gear up its capacity utilisation, stabilise its operations and improve its performance. As the factory, at present, are not operational at their full capacity utilisation, the profitability of the Company for the year is not ascertainable at this stage.

Liquidity position:

The liquidity position of the Company adequate and stable.

Ability to service debt and other financing arrangements:

The Company's ability to service its debt obligations and meet other financial commitments is adequate.

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Assets:

The Company has assessed of its assets as at 31.03.2020, the balance sheet date.

Internal Financial Reporting and Control:

The Company evaluated the internal controls including internal controls with reference to financial statements.

Supply Chain:

Though there were disruptions in the Supply Chain due to Pandemic in the short term during the lockdown period, the Company does not expect any major impact of Pandemic on the Supply Chain system.

Demand for its products / services:

The Demand for the product is well recognised in the market place as brand. The Company is not expecting any major change affecting the demand for its products and taking all necessary steps to stabilise its market position and reduce the impact arising on account of COVID 19.

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

The Company is confident of fulfilling its obligations under the various existing contracts/ arrangements. The Company does not foresee any major impact on the Company's business due to the non-fulfilment of its contractual obligations by any party on account of COVID 19 pandemic.

Yours Faithfully

For KOTHARI INDUSTRIAL CORPORATION LIMITED

Anil Kumar Padhiali

Anil Kumar Padhiali

(Company Secretary cum Compliance Officer)