

September 05, 2020

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai – 400001.

Scrip Code: 514322

Sub: Disclosure of material impact of COVID-19 pandemic on business of the Company

Dear Madam/Sir,

Pursuant to Regulation 30 of SEBI Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 and in continuation to our disclosure on the subject dated March 27, 2020 following are the update relating to impact of CoVID-19 pandemic and the effect of lockdown on the operations of the Company:

1. Impact of the COVID-19 pandemic on the business of the Company

The lockdown and restrictions due to COVID -19 Pandemic have posed various challenges to the overall operations and business of the Company. The Company's office(s), manufacturing unit(s) and warehouse(s) remained shut due to lockdown till the month of May.

2. Ability to maintain operations including the factories/units/office spaces functioning and closed down, Schedule, if any, for restarting the operations, Steps taken to ensure smooth functioning of operations

Company had partially resumed its office(s), manufacturing units and warehouse(s) in the month of May, the intimation of which was given on May 19, 2020 after strictly adhering to the guidelines laid down by Central and State Governments and in compliance with the relaxations made by the respective governments in this regard.

Company's Registered Office has partially resumed its operation with the gradual lifting of lockdown restrictions and that too with reduced capacity and working hours, adhering to hygiene and safety norms in order to ensure the safety of its employees and strictly following the guidelines issued by Ministry of Home Affairs, Government of India, from time to time with respect to the office attendance and administration and work from home guidelines.

3. Estimation of the future impact of COVID-19 on its operations

The fact that the situation is unprecedented and is changing dynamically, the Company is not in position to determine with certainty, the future impact on its operations. However, the Company is confident about adapting to the changing business environment and respond suitably.

4. Impact on the Capital, Profitability, liquidity position etc.

a. Capital and financial resources

The Company has adequate working capital and other credit limits from its bankers to meet the requirement of the business. Thus, at present there are no liquidity concerns.



b. Profitability

The Company, being in textile sector, a discretionary spends business, there is an impact on business as well profitability of the Company. However, considering prevailing uncertainty, it is difficult to ascertain the impact on profitability.

c. Ability to service debt and other financial arrangements

The Company has opted for moratorium for payment of interest and repayment of principal instalment as offered by the Bank(s) pursuant to the RBI Guidelines. Considering the future projections based on expected opening up schedules as given by the Government, the Company would be able to service debt and other financial arrangements.

d. Assets

There is no impact on the Assets of the Company.

e. Internal financial reporting and control

The management is constantly striving in ensuring an effective internal financial reporting and control measures and does not estimate any major impact on the same. However, they are closely monitoring the cash flows and in improving the same.

f. Supply chain

Supply chain was affected during the period of lockdown however, now due to relaxations in lockdown things are returning towards normalcy.

g. Demand for products of the Company

The Company operates in textile sector. Demand for Textile products has come down and is one of the sectors whose growth has been hampered alongwith Hospitality, Tourism etc.

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

The Company is in a good position to fulfill all its obligations and existing contracts/agreements.

6. Other relevant material updates about the Company's business

"Opportunity in Adversity" - The Company has explored opportunity in manufacturing medical textile products such as Personal Protection Equipment (PPE) Kits, non-surgical N95 masks and launched a "Zero Risque face mask" – An antiviral and antibacterial mask. The Company has a new opportunity to adapt, innovate and start a new business

The above is for your information and record.

Thanking you,

Yours faithfully,

For Kamadgiri Fashion Limited


Gaurav Soni
Company Secretary

