

July 01, 2020

The Manager
The Department of Corporate Services
BSE Limited
P. J. Towers
Dalal Street, Mumbai - 400 001
Scrip Code - 540775

The Manager
The Listing Department
National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (East), Mumbai - 400 051
Symbol -KHADIM

Dear Sir / Madam,

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

Sub: Disclosure of material impact of COVID-19 Pandemic

Further to our intimations dated March 24, 2020 and May 14, 2020, we enclosed herewith the disclosure of material impact of COVID-19 Pandemic on our Company pursuant to Regulation 30 of 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.

This is for your information and record.

Thanking you,

Yours faithfully,

For **Khadim India Limited**



Abhijit Dan
Company Secretary & Head - Legal
ICSI Membership No. A21358

Encl: as above

KHADIM INDIA LIMITED

REGD. OFFICE : 'KANKARIA ESTATE', 5TH FLOOR, 6, LITTLE RUSSELL STREET
KOLKATA-700 071, INDIA, Tel No. + 91-33-4009 0501, Fax No. + 91-33-4009 0500
E-mail : frontoffice@khadims.com; Website : www.khadims.com
CIN : L19129WB1981PLC034337

Disclosure of material impact of COVID-19 Pandemic on the Company**1. Impact of the COVID-19 pandemic on the business**

Due to lock down, the manufacturing and sales operations of the Company were shut down from last few days of March to comply with Government guidelines. The Company resumed partial service of operations from May 14, 2020, after implementation of standard safety measures (explained in point 4 below). Such shut down is expected to have an adverse effect on the financial statements for the financial year 2020-21.

The Company is closely observing the changes in demand patterns and consumer behaviours. We are also staying close to our consumers with frequent digital interactions. Even though the overall demand of the products has been impacted, but due to easing out of restriction in lockdown, the demand for the product is gradually improving.

2. Ability to maintain operations including the factories/ units/ office spaces functioning and closed down

The office operations have been started as per Government guidelines. In Phase 3 of the Lockdown, the Company had resumed operations on a limited scale at some of its retail stores, manufacturing units, warehouses and offices with limited manpower. The operations at those places were carried out in accordance with the guidelines issued by the respective regulatory authorities and post approval wherever required.

3. Schedule, if any, for restarting the operations

The Company resumed partial service of operations from May 14, 2020, after implementation of standard safety measures (explained in point 4 below). Presently, the Company has resumed work in all manufacturing units, warehouses and offices. We are gradually re-opening our retail stores across the Country, in compliance with the respective local regulations applicable. Currently, we have opened around 200 retail stores across the country. We are continuing to track and adapt according to the guidelines issued by the respective regulatory authorities.

4. Steps taken to ensure smooth functioning of operations;

The Company has taken all the possible steps to ensure smooth functioning of operations. The office, manufacturing facilities, retail stores and warehouses pan India have been sanitized to ensure safety and security of our staff members and other stakeholders. All safety protocols of temperature sensing,

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wearing of safety gears (masks, face shields, etc.), social distancing, sanitizing and washing hands are being adhered to very stringently. The Company has taken all necessary steps to adhere to the guidelines for social distancing and other safety measures provided by Ministry of Home Affairs along with the various directives issued by relevant Government authorities. There are pictorial displays in Vernacular language giving do's and don'ts at our retail stores.

5. Estimation of the future impact of CoVID-19 on its operations

With the graded opening of retail stores and manufacturing facilities, the Company is making every effort possible to make up for the lost time due to the pandemic, during the year. Since the present situation is exceptional and is changing dynamically, the Company is not in a position to gauge with certainty, the future impact on its operations. A lot depends on the success of the various pandemic containment efforts being undertaken by the State and Central Governments and Health authorities.

6. Impact of CoVID-19 on Company's:

a. capital and financial resources

There is no impact on capital & financial resources as the Company has no material long term debt and the utilization of working capital is within limits. The working capital limit remain unchanged.

b. profitability

After some relaxation by the Government, the Company was able to open retail stores and manufacturing facilities in a graded manner. However, the profits have been adversely affected due to lockdown. As explained in point 5 above, the exact impact on profitability is yet to be determined as on date.

c. liquidity position

There will be short term working capital crunch due to lockdown. The Company has opted for moratorium on payment of interest on certain existing credit facilities to boost its liquidity. However, the company is confident to manage the same in coming period.

d. ability to service debt and other financing arrangements

The Company has no material long term debt and other financial arrangement except working capital limits. The Company continues to operate within the working capital limit.

e. assets

The Company sees no immediate impairment requirement for any assets due to COVID-19. The Company has taken a cautious view on new capital expenditure projects.

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f. internal financial reporting and control

The Company has sound internal control measures for all its processes and the current exceptional situation has not diluted the well- established and evaluated internal financial controls.

g. supply chain

Due to lockdown and restrictions imposed by government, the supply chain has been adversely affected. The Company believes that the disruption in the supply chain caused by the pandemic will be short term and does not expect any drastic or permanent impact.

h. demand for its products / services

There is temporary reduction in demand due to lock down which the Company expects to improve the end of this financial year.

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

No such existing contracts / agreements have been identified where non-fulfilment of the obligations by any party will have significant impact on the Company's business.

8. Annual Audited Accounts – Financial Year 2019-20

Generally, the Company publishes its annual audited accounts by mid of May every year. However, due to the current situation, it is expected that the Board Meeting to adopt the accounts is planned to be held in the second week of July, 2020.

