

June 28, 2020

To,
Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai- 400001
BSE Code: 500264

Dear Sir,

Re: COVID 19 scenario

Sub.: Intimation under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations")

This is further to our intimation dated 26th March, 2020 and 14th May, 2020, pursuant to Regulation 30 of the Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020. We would like to submit the following further details relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the operations of the Company:

1. Impact of the COVID-19 pandemic, schedule for restarting the operations and steps taken to ensure smooth functioning of operations:

a. **Impact on Business Operations:** The Government of India in order to contain the spread of the COVID-19 pandemic announced a nationwide lockdown on 25th March, 2020. Accordingly, the Company had suspended all manufacturing operations at its factory in Nadiad, Gujarat and had closed all offices in Mumbai and Ahmedabad, after taking safe shut down procedures.

After obtaining requisite permissions, as applicable, from concerned Government authorities, the Company restarted its operations at Nadiad as disclosed in our earlier disclosure in a phased manner to complete limited orders on hand.

Due to negative business sentiments and loss of orders, the plants are running on a very limited scale to cater to limited number of orders on hand and will continue to operate at sub-optimum levels till business scenario improves.

The Company is ensuring compliance with the directives issued by concerned Government authorities, from time to time.

b. **Workforce:** The Company has currently engaged limited workforce to work on the limited orders/business projection working. While to manage the large work force complying with stringent healthcare requirement in this pandemic remained very challenging, with limited work force used, the

-2-

Company has been able to take necessary precautions for the safety of its workforce which includes temperature sensing, mandating use of safety gears, social distancing, facility and vehicle sanitizing, etc.

The Company has already implemented a “Work from Home” policy for employees at the corporate & other offices, wherever required.

c. Raw Materials: The key raw-materials for the Company are Cotton, Polyester Fibre, Yarn greige fabric and Dyes & Chemicals. On account of lockdown announced by Government of India and various State Governments, the movement of goods was severely hampered, creating disruptions on the supply side. In addition, many of the manufacturing units from whom the Company sources its raw material, are closed too. While there may be some difficulties in sourcing the raw-materials in a timely manner, the Company has been carrying inventory of raw-materials just before going into lockdown which should help it in sailing through for couple of months.

d. Demand for its products/services: The Company foresees that demand for textiles in general, and that for the products of the Company shall remain very subdued in both domestic & export markets for the coming months as the business operations in India and across the world have been impacted due to the spread of COVID-19 pandemic and the respective Government authorities have implemented various restriction on business activities which might lead to drastic changes in delivery timeline/schedule as well as cancellation of orders. The turnover of the Company for the financial year 2020-21 is expected to be significantly lower compared to previous year.

e. Financial resources, profitability and liquidity position: On account of significant reduction in business volumes as explained above, there will be stress on the profitability as well as liquidity situation of the Company.. Pursuant to the option of moratorium announced by the Government, the Company has availed 3 months moratorium on repayment of loan & servicing of interest & other charges/ due to the Company’s Bankers. The Company has applied for a further 3 months of moratorium, the approval for which is awaited. The Company is also in the process of selling/monetising its non-core assets, which should help in augmenting its liquidity situation. The Company has implemented very strict cost control measures to conserve liquidity and curtail losses in view of the uncertain and evolving situation including rationalisation of workforce, salary cuts/ deferment etc.

2. Estimation of the future impact of COVID-19 on operations:

Aftermath of breakout of the COVID 19 disease brought uncertainty and “Deep Depression” in most of the world economies. The IMF revised its World Output growth from 3.3% to -3.0%. For India, as per the statement from the RBI Governor, the recovery of economy is expected to be restored in the second half of 2020-21. GDP growth for year 2020-21 is also expected to be negative. Under such a scenario, the Company cannot remain immune to the overall adverse business scenario. Looking forward, this pandemic has posed unforeseen and unprecedented challenges. In these circumstances the Company may not be in a position to quantify its future impact with any degree of certainty on the business as of now. While, Company do foresee that its operating results for the first half of the current year shall witness significant downtrend compared to previous year; the Company does see normalcy in business returning from the second half of the current financial year.



MAFATLAL INDUSTRIES LIMITED

Regd. Office : 301-302, Heritage Horizon, 3rd Floor, off. C.G. Road,
Navrangpura, Ahmedabad 380009. Email : ahmedabad@mafatlals.com
Tel. 079-26444404-06, Fax : 079 26444403
Corp. Off. : Kaledonia Building, Off. No. 3, 6th Floor, Opp. Vijay Nagar Society,
Sahar Road, Off Western Express Highway Andheri (East), Mumbai 400069.
Tel. 022 67713800 Fax : 91 22 67713924/25
CIN : L17110GJ1913PLC000035 Website : www.mafatlals.com

-3-

Company's Management has carried out an assessment of the impact of COVID-19 on its business operations and liquidity position, and on the recoverability and carrying values of its assets for the next one year, including Properties, Plants and Equipment, Trade receivables, Inventories and Investments and has made such provision as considered necessary in the carrying value of inventory & receivables. However, the Company will continue to monitor any material changes to future economic conditions.

3. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business: None

4. Support for mitigating impact of COVID 19 pandemic: With a view to assist the Central/State Governments in their mammoth task of fighting with the COVID-19 pandemic, in the month of April 2020, the Company and its employees together have made an aggregate contribution of Rs. 21,00,000/- to PM CARES FUND and the Chief Minister's Relief Funds of Maharashtra and Gujarat and continues to support various measures been taken by agencies in mitigating the impact of COVID-19.

Thanking you,

Yours faithfully,

For Mafatlal Industries Limited

ASHISH Digitally signed by
ARUNKUMA ASHISH ARUNKUMAR
KARANJI
R KARANJI Date: 2020.06.28
20:00:28 +05'30'

Ashish Karanji

Company Secretary



ARVIND MAFATLAL GROUP
The ethics of excellence