



KANCO TEA & INDUSTRIES LIMITED

Registered Office : "Jasmine Tower", 3rd Floor
31 Shakespeare Sarani, Kolkata - 700 017, India, Telefax : 2281-5217
E-mail : contact@kancotea.in, Website : www.kancotea.in
Corporate Identity Number (CIN)-L15491WB1983PLC035793

Ref: KTIL/Regulation 30/20-21

9th July, 2020

To,
The Manager
Corporate Affairs Department
Bombay Stock Exchange Limited
Phiroze JeeJeebhoy Towers
Dalal Street
Mumbai-400001

Scrip Code/ID: 541005/KANCOTEA

Dear Sir,

Sub: Disclosure of material impact of COVID-19 pandemic on Listed Entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (LODR)

The lockdown imposed in India from 24th March, 2020 had a negative impact on the business of the Company. The Company is part of the Tea industry, which sustained a loss of 54% crop in April, 2020 i.e. 45.47 million kgs. The Government had eased the restrictions from mid-April, 2020 in a gradual manner and at present our estates at Assam are operating with 100% work force. The sales and distribution channels had regained normalcy to a large extent but the lock-down in Guwahati has resulted in closure of Auction Sale at Guwahati.

The Company suffered an estimated crop loss of 1.05 Lakh Kgs (Own Crop) and 1.71 Lakh Kgs (Tea made from bought leaves) as on 3rd July, 2020. The loss in crop has affected the demand-supply gap and therefore the average realisation prices of teas exhibit an encouraging trend with an upside of 25%-30% from the previous year, which is expected to offset the crop loss impact to some extent.

The overall impact of COVID-19 is difficult to predict with certainty at present due to nature of business as well as uncertainty about how prices will shape up during the balance period, where we make about 75% of Annual Crop. The stress on the cash flow is expected to be of a short term nature and the Company continues to conserve cash during this period of uncertainty by reducing operating and capital expenditure across all levels.

The management is monitoring the situation on an ongoing basis and various precautionary measures / protocols are implemented across the producing locations of the Company.

Thanking you,
For **Kanco Tea & Industries Limited**

Charulata Kabra
Company Secretary and Compliance Officer
Membership No: F9417