

K.P.R. MILL LIMITED

Corporate Office : 1st Floor Srivari Shrimat, 1045, Avinashi Road, Coimbatore - 641018. India © : 0422-2207777 Fax : 0422-2207778

30th June, 2020

The Listing Department,
Bombay Stock Exchange Ltd.
1st Floor, Rotunda Buildings,
PhirozeJeejeebhoy Towers,
Mumbai – 400 001.

The Listing Department,
National Stock Exchange of India Ltd.,
Exchange Plaza, Plot: C/1, G Block,
Bandra-Kurla Complex, Bandra (E),
Mumbai – 400 051.

Dear Sir,

BSE: 532889 / NSE: KPRMILL

Sub: Disclosure on Covid-19 Impact

In pursuance of SEBI advisory on disclosure of material impact of Covid-19 pandemic on listed entities under SEBI LODR, a disclosure on the impact of Covid-19 on the operations of the Company is enclosed.

This is for your kind information and dissemination.

Thanking you.

Yours faithfully

For K.P.R. Mill Limited



**P.Kandaswamy
Company Secretary**

K.P.R MILL LIMITED

REPORT ON THE IMPACT OF COVID19 ON THE OPERATIONS OF THE COMPANY

K.P.R.Mill Limited is a vertically integrated Apparel manufacturing Company producing Yarn, Fabrics and Garments. Over 25% of yarn produced is internally consumed and the rest is sold in the domestic Market 'Tirupur' the Asia's largest Knitwear Cluster. Its entire Garments are exported, predominantly to European Countries and USA. The Company has 12 Manufacturing Units situated in and around Coimbatore, Tamilnadu employing over 24,000 Employees.

IMPACT ON THE INDUSTRY

COVID-19, Pandemic originated in China has spread to almost all countries across the globe including India. To prevent the imminent spread of the disease in India, the Central and State Governments were left with no option but to impose lockdown curfew from 24.03.2020. The lockdown and the consequent restrictions imposed thereafter resulted in several hardships affecting all segments of the Textile Industry irrespective of the sector due to piling up of inventories, non-receipt of dues from buyers, stranding of migrant workers, cancellation of purchase orders, abandoning of goods during movement at warehouses/ports before reaching the destined premises of the buyer, bank dues including term loans/ working capital, and other statutory compliances.

In compliance with the Statutory Lock-down Directions applicable to all industries and Companies in India, the operations of the Company were suspended from 24-03-2020 until further announcement from the Government. The Lock down was extended by the Tamilnadu Government up to 3rd May 2020.

Impact of the CoVID-19 pandemic on the business;

Stoppage of all Units effective from 24.3.2020 has affected the operations of the Company.

Impact on Supply Chain

As the Company has sufficient stock of its major raw material Cotton, there was no scarcity of raw material for the Spinning segment. Since ours is vertically integrated operations availability of inputs for other segments also ensured. However supply of products to Customers was impacted due to disruptions in the supply chain.

Impact on the Financials

The Company has assessed the impact of this whole situation on its capital and financial resources, profitability, liquidity position, internal financial controls etc., and is of the view that based on its present assessment; this situation does not have adverse impact on the financial results for FY 2019-20. The Management believes that the Company will not have any



challenge in meeting its financial obligations for the next 12 months. The Company will continue to closely monitor any material changes to future economic conditions.

Considering the uncertainties involved, the exact impact arising on account of Covid-19 pandemic on the performance of the Company during the current financial year is not ascertainable at this stage and the same may be reported to the extent possible while submitting periodical Financials.

Internal financial reporting and control

Our Internal control System fully equipped with adequate checks and balances ensures that the entire transactions are adequately authorized and reported correctly.

Maintenance of operations

Effective from 6th May 2020 the operations commenced partially and gradually and with restricted work force in line with the Guidelines. Ramping up of operations is in progress

Impact on the Contracts

The Company as a Policy have no long term Contracts with any Buyers.

Demand for the Products

The reputation earned over decades as Supplier of best quality products and on-time delivery would enable us to get continued patronage once the normalcy returns in the business operations.

Steps taken to ensure smooth functioning of operations

For safe and smooth functioning of the operations, the Company observes the following safety measures:

Necessary safety precautions for the employees such as Social Distancing, Temperature Measurements at entrance, Compulsory Masks (Free masks to all employees) Facility for hand washing and sanitizers provided at the workplace besides regular advice on the necessity for hand washing, resting Employees from containment zones, strict prohibition of outsiders, thorough cleaning / sanitizing of all articles brought from outside etc are carried out.

