



Refer: MSL/BSE/NSE/

22 July, 2020

BSE Limited  
25th Floor,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai 400 001  
Scrip Code: **523371**

National Stock Exchange of India Ltd  
Exchange Plaza, Plot no. C/1, G Block,  
Bandra-Kurla Complex,  
Bandra (E),  
Mumbai 400 051  
Scrip Code: **MAWANASUG**

**Sub: Disclosure of material impact of COVID-19 pandemic on the Company under Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosures) Requirements, 2015 read with SEBI Circular (SEBI/HO/CFD/CMD1/CIR/P/2020/84) dated 20' May, 2020.**

Dear Sir/Madam,

In compliance with Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular (SEBI/HO/CFD/CMD1/CIR/P/2020/84) dated 20 May, 2020, please find enclosed herewith the disclosure of material impact of COVID-19 pandemic on the Company.

Please take the same on record.

This is for your information and record, please.

Thanking you,

Yours Faithfully,  
For Mawana Sugars Limited

**(ASHOK KUMAR SHUKLA)**  
**COMPANY SECRETARY**

Encl : a/a

**MAWANA SUGARS LIMITED**

CIN : L74100DL1961PLC003413

Corporate Office:

Plot No. 03, Institutional Area

Sector-32, Gurugram-122 001 (India)

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Registered Office:

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## MAWANA SUGARS LIMITED

### DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

#### Financial Results – QE/YE March 2020

(Pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020)

#### 1. Impact of the CoVID-19 pandemic on the business

The Company is engaged in the business of manufacture and marketing of Sugar, Ethanol, Co-generation of Power, Caustic soda, Chlorine and other related chemical products. Sugar having been classified as essential product, its manufacturing continued without any significant disruptions. However, chemical business operations were shut down due to nationwide lockdown w.e.f 24<sup>th</sup> March 2020 which however restarted in limited way from April 2, 2020. Sugar off take has been affected due to lack of demand. Ethanol supply was limited in view of low requirement of petroleum products during this period. The demand for Caustic soda and chlorine has dropped significantly due to slow down of economy. All these will reflect in the revenue and profitability of the Company to some extent in short period.

#### 2. Ability to maintain operations including the factories/units/office spaces functioning and closed down and Schedule, if any, for restarting the operations

The nationwide lockdown restrictions ordered by the Government of India w.e.f. 24th March 2020 led to complete shutdown of operations at Chemical business of the Company which however restarted in limited way from April 02, 2020 as per the guidelines of MHA and State Government. However, Sugar and other manufacturing operations of the Company continued without any significant disruptions. Company's registered office at Delhi and corporate office at Gurgaon remained completely shut till 14<sup>th</sup> June 2020, and partially restarted thereafter with lesser manpower and working on selective days due to continued restrictions.

#### 3. Steps taken to ensure smooth functioning of operations

The Company has put in place strict monitoring process for smooth functioning of operations at all locations and has taken precautions ensuring the followings:

- ✓ Sanitizing the premises on regular interval
- ✓ Maintaining social distancing at all workplaces
- ✓ Enforcing wearing of masks and thermal temperature checking of all employees at all workplaces
- ✓ Regular update of the health of all the employees and their families

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

In view of national lockdown in the month of April and May, 2020, the revenue and profitability of the company would be adversely impacted. The ethanol and chemical business have been largely impacted due to economic slowdown. Due to high level of uncertainty, it is not possible to assess the future impact on its operations. However, the Company is adapting to the changing business environment and would be in a position to suitably respond and fulfil the needs of its customers.

#### 5. Details of impact of CoVID-19 on listed entity's

- a. **Capital and financial resources:** The Company is not planning any capital restructuring. The working capital limits from banks and internal accruals as adequately available with the company.
- b. **Profitability:** Revenue and Profitability of the Company would be affected due to lockdown and sluggish market conditions but the actual impact could only be ascertained in due course of time.
- c. **Liquidity position:** Due to adverse impact on off take of sugar and other businesses of the Company, the liquidity position of the Company would remain constrained. The Company would continue to remain in arrears for payment of the dues of the farmers from whom it



has purchased cane even though it has enough sugar stocks to pay the entire cane dues. The Company has however put in place a cash flow management procedure which would enable it to maintain adequate liquidity for its operations.

- d. Ability to service debt and other financing arrangements:** The Company is regular in servicing and repayments of its debts including interest thereon. The Company has adequate resources to service debt and managing other financing arrangements in the future as well.
  - e. Assets:** The Company has assessed the recoverability and carrying values of its assets comprising receivables and other financial assets as at the balance sheet date using various internal and external information up to the date of approval of the financial statements for the year ended March 31, 2020 and no material impact was anticipated in these financial statements.
  - f. Internal financial reporting and control:** The systems and controls of the Company are already in place and are continuing as usual.
  - g. Supply chain:**  
During lockdown period, inward and outward logistics were interrupted to a large extent. However, presently supply chain has significantly improved after relaxations in restrictions were announced by the Authorities.
  - h. Demand for its products/services:**  
Due to lockdown and COVID pandemic, the uncertainty of market demand is likely to continue for first and second quarter of the year. Company hopes for normalcy to resume in second half of the year.
- 6. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business**  
The Company is well positioned to fulfil its obligations and existing contracts/arrangements.

**7. Other relevant material updates about the listed entity's business**

Nil

Further updates in this regard will be communicated in due course.

Please take the same on record.

Thanking You,

Yours faithfully,  
For Mawana Sugars Limited



Ashok Kumar Shukla  
Company Secretary  
ACS 29673