



# K.M. Sugar Mills Ltd.

Factory & Works : P.O. Motinagar-224201, Dist. Ayodhya (U. P.)  
Phone : 7571000692, Email : director@kmsugar.com  
CIN No.:L15421UP1971PLC003492 GSTIN No.:09AAACK5545P1ZZ

Date: 09.06.2020

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| National Stock Exchange Of India Limited,<br>Exchange Plaza,C-1,Block-G,<br>Bandra Kurla Complex ,Bandra (E),<br>Mumbai-400051<br>Phone No.022-26598100 | Bombay Stock Exchange Limited,<br>27 <sup>th</sup> Floor, Phiroze Jeebhoy Tower,<br>Dalal Street ,Fort ,Mumbai-400001<br>Phone No.022-22728527<br>Bandra (E),Mumbai-400051 |
| Scrip Code: INE157h01023  | Scrip Code:532673  |

Dear Sirs,

Ref: Disclosure under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Sub: Impact of Covid-19 on Company's Business Operations

The Covid -19 pandemic and the consequent lockdown restrictions imposed by the Central and State Governments has impacted business in general. In view of the same it is important that all the information about the impact of these events on the Company and its operations are made available to various stakeholders.

Pursuant to Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (as amended) ("the Listing Regulations"), read with SEBI Circular No. SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated May 20, 2020; following are the brief details relating to the impact of the Covid-19, pandemic on the operations/business of the Company:

## 1. Impact of the Covid-19 pandemic on the business:

The Company is engaged primarily in the manufacturing and production of Essential Commodities, while operations fall under the category of 'Essential Activities' issued by the Government of India.

There was very little impact upon the operations of the units/divisions of the Company during the period of the nation-wide lockdown as part of India's fight against COVID-19. The activities at the Company's manufacturing units are being carried out in normal course with adoption of enhanced safety, security and other measures as required under the health advisories.

In addition, the Company has started manufacturing Hand Sanitizers in its Distilleries during this period, as permitted by the Government.

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

The Company is engaged in manufacturing of sugar, generation of power and production of Ethanol and other Industrial Alcohol, which falls under the category of essential commodities and thus the operations of the Company are being carried out in the normal course in accordance with

the directives issued by the Ministry of Home Affairs. Segment wise status on the operations is provided below:

**a) Sugar Segment:**

The Sugar Plant of the company was in operation throughout the lock-down period. The crushing operations have now come to a halt in view of complete crushing of sugar cane.

**b) Cogen Segment:**

The Cogen Plant of the Company was in operation throughout the lock-down period and the plants have now come to a halt in view of complete crushing of sugar cane.

**c) Distillery Segment:**

The distilleries division of the Company have been continuing with their operations Un-interrupted ever since the announcement of lock-down.

**3. Steps taken to ensure smooth functioning of operations:**

The Company's personnel at the Corporate Office have been working from home, with usage of appropriate online technology platforms for coordination. The Corporate office of the Company has resumed functioning as per the guidelines of the State Government. The Company is complying with all the norms related to social distancing, thermal scanning, wearing of face mask, proper sanitization and hygiene at all its locations including factories to ensure smooth functioning of operations.

**4. Estimation of the future impact of Covid-19 on its operational results and financial health:**

The Company does not foresee any significant impact on the operational results and the financial health as sugar and the allied products which the Company is manufacturing are all essential commodities and as such demand of the Products is resuming to normal.

**5. Details of impact of Covid-19 on listed entities:**

**a. Capital and financial resources:** Company's capital and financial resources were managed and have not been impacted because of the Covid-19.

Further Central Government extended financial help to the sugar industry and under this scheme the company availed financial facility from the Banks.

**b. Ability to service debt and other financing arrangements:**

The Company availed the extension provided by RBI but now the company has approached its banker's to pay its obligation debts/instalments/interests/ dues without any further extensions and the Company does not foresee any difficulty in meeting its future financial commitments as well.

**c. Assets:** The Company does not foresee any challenge in realizing its assets.

**d. Internal financial reporting and control:** There was no major impact as the Company has robust internal financial controls in place.

**e. Demand for its products/services:** The sales and movement of our finished products was affected for a short period of time initially due to lockdown-related logistical issues across the country, but things are steadily resuming to normal for the Company on that front also. The Company has not yet quantified any separate impact of COVID-19 at this stage. However the company got a good demand of sanitizer.

**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 under the contracts and also does not foresee any problem in respect of its agreements including contracts for export of sugar.

You are requested to kindly take above on record.

Yours faithfully,

For K M Sugar Mills Limited



Pooja Dua

[Company Secretary and Compliance Officer]