KANPUR PLASTIPACK LTD

The Department of Corporate Services
The Bombay Stock Exchange Limited
25th Floor, P.J. Towers,
Dalal Street, Fort,
Mumbai 400 001

28th May, 2020

Scrip Code: 507779

Sub:- Disclosure on impact of Covid-19 pandemic as per SEBI Circular no. SEBI/HO/CFD/ CMD1/CIR/P/2020/84 dated 20th May, 2020.

Dear Sir,

In view of the SEBI Circular no. SEBI/HO/CFD/ CMD1/CIR/P/2020/84 dated 20th May, 2020 on the advisory on disclosure of material impact of Covid-19 pandemic on the Listed entity and in furtherance to our letter dated 03rd April, 2020 under Regulation 30(1) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015 we wish to inform you following:

Sl No.	Particulars	Details of Disclosure
1.	Impact of the Covid-19 pandemic on the business	The outbreak of novel Corona Virus (Covid-19) has impacted the business operations of the company by way of interruption in production activities, supply chain and availability of manpower. The nation vide lockdown was preceded by the State Government directive of a lockdown in Uttar Pradesh effective from 23rd of March, 2020 in continuation of the Janta Curfew imposed on the 22nd of March. The Company however resumed partial operations on the 3rd of April, 2020 after getting requisite permissions from the district administration and since then the production and sales have been stabilizing.
2.	Ability to maintain operations including the factories / units / office spaces functioning and closed down	All the 3 units of the Company put together were able to achieve 50% capacity utilization in the month of April and more than 70% in May-2020. Stocks of finished goods held up during the lockdown period have been cleared. Manpower is back to normal numbers and management does not envisage any hurdle in its future operations.

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D-19,20 Panki Industrial Area, Kanpur-208022, India
tel.no: +91 (512) 2691113-116 | fax: +91 (512) 2691117
email: info@kanplas.com | web: www.kanplas.com

Manufacturers & Exporters: HDPE/PP Circular Woven Fabrics, Sacks and FIBCS/Jumbo Bags, Multifilament Yarn

ISO 9001:2015 ISO 22000 AIB BRC Certified
CIN L25209UP1971PLC003444

3.	Schedule, if any, for restarting the operations	Since the Company's operations are fully functional, this question does not arise.
4.	Steps taken to ensure smooth functioning of operations	An extensive protocol has put in place for the health and safety of all the workers and Staff members who are coming. The Company has put in place a strict monitoring process for Covid-19 precautions ensuring the following: • Sanitizing the premises and vehicles on regular basis; • Maintenance of social distancing at all work places; • Enforcing wearing of masks and regular cleaning of hands with soap, water and sanitizers; • Regular update of the health of all the employees and their families; • An extensive graphical SOP has been made and implemented; • All employees have been asked to install Aarogya Setu App; The Company has issued various awareness notes and also made a team to train other employees throughout the Company. The management continues to monitor the situation closely and follow all directives of the administration to ensure the safety and welfare of our employees which remains our primary concern.
5.	Estimation of the future impact of Covid-19 on the operations	A positive impact of Covid-19 was the dramatic fall in Crude oil prices and consequently a sharp decrease in raw material prices. The company has leveraged its liquidity to take advantage of this drop and buildup inventory which will help in improved financial performance. All this comes with a qualification that no fresh outbreak disrupts the operations in India or Globally.
6.	Details of impact of Covid-19 on listed entity- (Capital and financial resources, profitability, liquidity position, ability to serve debt and other financial arrangements, Assets, internal financial reporting and control, supply chain, demand for its products / services)	The outbreak of novel Corona Virus (Covid-19) has impacted the business operations of the company by way of interruption in production activities, supply chain and availability of manpower. There were some major impact of Covid-19 as under following: 1. A major impact of the COVID crises was the unforeseen depreciation in the Rupee which resulted in the company booking a very high MTM loss on its forward hedged contracts and a FCTL running in our books as a onetime loss. The company paid all its employees full salaries for the month of March and other associated fixed costs had to be incurred during the lock down period of 22nd March to 31st March for almost 1/3rd of the month. These factors put together almost wiped out the Profits for the quarter ending March 20. Lower than anticipated sales in March, April and May on the other hand did not allow the company to take advantage of the Rupee depreciation on its exports. 2. With extensive cost cutting measures having been introduced which includes salary cuts and some prudent inventory management. Profitability in April and May, 2020 are back on track despite lower capacity utilization.

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		3. The management has made an initial assessment of the impact of the lockdown and the fallout of the pandemic to evaluate its liquidity position based on which it does not expect any risk in the Company to continue as a going concern or meeting its financial obligations. 4. The Company has not availed moratorium for any of its payments and has never defaulted on any interest or loan payment and does not see any issue meeting future obligations too. 5. None of the assets of the Company have been impacted or impaired due to Covid-19. 6. The Company has efficient systems in place for Internal Financial reporting and control. Even during the period of lockdown with work from home, all reporting systems worked seamlessly without any disruption. 7. The supply chain was the cause for concern during the initial lockdown period, however, gradually this issue has been sorted out. We expect normal operations from June, 2020 onwards and going forward the company is confident of coming back to normalcy shortly. 8. The Company's export order book remains robust and demand for the company's products has not slackened leading us to believe that the company is far better placed to serve its Global customers.
7.	Existing contracts / agreements where non fulfillment of the obligations by any party will have significant impact on the listed entity's business	The Company does not oversee any such non fulfillment of contractual obligations by any party except overdues and delays in sales proceeds from foreign customers. The Company is in the position to honour all its existing agreements with its vendors and customers.

The Company will continue to closely monitor the future economic and health conditions and any material changes will be reported accordingly.

Kindly take this on record and oblige.

Thanking You.

Yours Faithfully,
For **Kanpur Plastipack Limited**

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(Ankur Srivastava)
Company Secretary