INDO COUNT

Complete Comfort

July 10, 2020

National Stock Exchange of India Limited
Listing Department,
Exchange Plaza, Bandra Kurla Complex,
Bandra (East),
Mumbai – 400 051
Company Symbol: ICIL

Kind Attn: Mr Ketul Jain

Subject: Disclosure of material impact of Covid-19 pandemic on listed entities under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir

With reference to your email dated 9th July, 2020 on the captioned subject, and further to our earlier disclosure dated 12th June, 2020, please find enclosed "Annexure "A" the disclosure on material impact of COVID-19 pandemic on the Company.

Kindly take the above information on record.

Thanking you,

Yours faithfully,

For **Indo Count Industries Limited**

Amruta Avasare
Company Secretary & Compliance Officer
Membership No.: A18844

Indo Count Industries Ltd

Head Office: 301, Arcadia, 3rd Floor, Nariman Point, Mumbai - 400 021, Maharashtra, India; T: 022 4341 9500, F: 022 2282 3098
Marketing Office: Dosti Imperia, 2nd floor, Manpada, Ghodbunder Road, Thane (w) - 400 607, Maharashtra, India; T: 022 4151 1800, F: 022 2172 0121
Home Textile Division: T3, Kagal - Hatkanangale Five Star, MIDC Ind. Area, Kolhapur - 416216, Maharashtra, India; T: 0231 662 7900, F: 0231 662 7979
Spinning Division: D1, MIDC, Gokul Shirgaon, Kolhapur - 416234, Maharashtra, India; T: 0231 268 7400, F: 0231 267 2161
Regd. Office: Office No. 1, Plot No. 266, Village Alte, Kumbhoj Road,Taluka Hatkanangale, Dist. Kolhapur - 416 109, Maharashtra, India; T: 0230 2463100 / 2461929
CIN: L72200PN1988PLC068972, E: info@indocount.com, W: www.indocount.com

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Annexure – A

Sr. No.	Particulars	Disclosures
1.	Impact of the COVID-19 pandemic on the business	The manufacturing facilities of the Company were closed from March 23, 2020 and restarted partial manufacturing operations at the Company's Home Textile and Spinning Plant were resumed from April 26, 2020 and April 27, 2020 respectively as per Govt directions to contain the spread of COVID-19. Due to temporary stoppage of operations, orders valued approximately US$ 11 million could not be executed in Q4 FY 2020 and stands postponed to FY 21.
2.	Ability to maintain operations including the factories/units/ office spaces functioning and closed down;	As intimated earlier to the exchange, in order to contain the spread of novel coronavirus (COVID-19) pandemic and as per the nationwide lockdown declared in India and as per order of District Magistrate, Kolhapur, the Company had temporarily closed its manufacturing units situated at Kolhapur from March 23, 2020. Thereafter, as per the directions received from State Government/Local Authorities, partial manufacturing operations at the Company's Home Textile and Spinning Plant were resumed from April 26, 2020 and April 27, 2020 respectively with limited workforce and in accordance with the guidelines issued by Government/local authorities for COVID-19 management.
3.	Schedule, if any, for restarting theoperations	
4.	Steps taken to ensure smooth functioning of operations.	The Company has taken all steps to comply with government directions and guidelines to contain spread of COVID-19 viz. social distancing norms, wearing of face masks, regular sanitisation of premises, thermal screening before entering workplace, appropriate training to workmen and staff and other precautionary measures required to be taken in the prevailing situation to ensure the health, safety of workers and staff at workplace. Supply chain is monitored to ensure availability of raw material.
5.	Estimation of the future impact of CoVID-19 on its operations	The situation is continuously changing and at present, it is difficult to assess the future impact. Since the outbreak of the pandemic, retail stores in our major markets viz. US and Europe have been predominantly closed. Retail stores have started opening in a phased manner in June 2020 and further visibility on the business would be seen in the next couple of months as restart their regular operations. Given its healthy capital adequacy and stable liquidity position, good customer base, wider geographical distribution, innovative product mix, the Company is confident of dealing with the challenges posed by COVID-19.

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6.	**Details of impact of Covid-19 on listed entity's:-**	
6.1	Capital and financial resources	The Company's capital and Banking facilities remain intact. At present, there are no liquidity concerns as we have sufficient unutilised Banking limits available.
6.2	Profitability	In view of lockdown, the profitability during 1st quarter (April to June) will be impacted. However, due to continuously evolving situation, it is difficult to estimate impact on profitability.
6.3	Liquidity position	The Company has adequate liquidity to manage the mismatch in cash flow arising due to COVID-19 situation.
6.4	Ability to service debt and other financing arrangements	Company is in a position to service its existing debt comfortably and therefore has not sought any moratorium with the banks and financial institutions.
6.5	Assets	The Company has no major capital expenditure plans in FY 2021. There is no significant impact on debtors and inventory and all assets are at fair value.
6.6	Internal financial reporting and control	The Company has taken Cash flow control and overhead control measures to manage the operations, weekly review mechanism adopted to review the account receivables and measures taken to control the capital expenditure.
6.7	Supply Chain	The Company has adequate supply chain available for finished products at factory to meet customer's demand
6.8	demand for its products	Since the outbreak of the pandemic, retail stores in our major markets viz. US and Europe have been predominantly closed. Hence, there was temporary reduction in demand. Retail stores have started opening in a phased manner in June 2020 and further visibility on the business would be seen in the next couple of months as restart their regular operations.
7	Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business	Due to temporary stoppage of operations, orders valued approximately US$ 11 million could not be executed in Q4 FY 2020 and stands postponed to FY 21.