

8th October, 2021

To,

National Stock Exchange of India Limited
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai-400 051
Security Code: KAMDHENU

Subject: Reply to Clarification sought vide your email dated October 7, 2021

Dear Sir / Ma'am,

This has reference to your e-mail dated October 7, 2021, wherein clarifications were sought regarding announcement submitted to the Exchange dated October 04, 2021, regarding the own paint factory of the company becoming fully operational post the fire incident in April 2019. In this regard, our submissions in line with your specific queries are as under:

1. On the mid-night of 27-28 April, 2019, a major fire broke-out due to the short-circuit in the Paint factory of the Company situated at Chopanki, Bhiwadi, Rajasthan, wherein substantial properties, plant, equipments and stocks were damaged. There had been no human causality in the said fire incidence.

Based on the valid and subsisting insurance policies, the Company had filed insurance claim towards the losses due to the said fire incidence. The Company had finally assessed and filed the insurance claim of Rs. 32 crores towards the said losses. Out of the total insurance claim, an amount of Rs. 15.44 crores have been received by the Company towards the full settlement of stocks. Further, an adhoc amount of Rs. 6 crores have also been received on account of property, plant and equipments. Final settlement of claims towards the property, plant and equipments are expected to be settled within the current financial year.

2. In order to restore the normalcy of the business operations at paint factory and to make the uninterrupted supply to the market, the Company had immediately, post fire, started outsourcing of the paint products from the third party manufacturers based on the quality parameters of the Company. The Company had also deputed its technical team in their plants to ensure the quality of the products. Due to these immediate steps, the paint business was intact and continued its presence across the markets.



On the other hand, the Company had also immediately started follow-ups with the insurance surveyor to proceed with the dismantling of the damaged building and equipments. As a result, the Company could be able to start the partial operations of the Stainer Division and Emulsion Division in the month of August - September, 2019. Thereafter, the Company had been continuously taking steps to restore the building and machinery so as to ensure the production of the entire range of paint products.

Due to the said fire incidence, the growth of the Company was struck for 2-3 years. But, the Company could be able to sustain its levels of operations and despite of COVID-19 pandemic impact, the Company had been able to achieve the sales turnover of the paint business of Rs. 202 crores in FY21 and Rs. 190 crores in FY20.

It is pertinent to mention here that due to outsourcing of the paint products post fire incident (now paint factory fully operational), there were huge pressure on the margins of the Company. But, our marketing network of 4000 dealers connected with 32 sales depots were intact and with the support of said marketing network, the Company shall be able to achieve its future targets for the coming years.

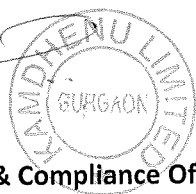
We request you to take the same on record.

Thanking you,

Yours faithfully,

For Kamdhenu Limited


Khem Chand
Company Secretary & Compliance Officer



Place: Gurugram