



May 22, 2020

DCS-CRD

BSE Limited

Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai - 400 001

DCS-CRD

National Stock Exchange of India Ltd.

Exchange Plaza
Bandra-Kurla Complex
Bandra (E), Mumbai - 400 051

Scrip Code: 519183

Scrip Code/Symbol: ADFFOODS

Sub: Updates regarding impact of Covid-19.

Ref: SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20.05.2020.

Dear Sir/ Madam,

We refer to the above Circular advising listed entities to make available all information about the impact of Covid-19 pandemic to their investors and stakeholders. We had sent the intimations regarding the temporary closure of our manufacturing plants at Nasik and Nadiad w.e.f 24th March, 2020 and their restart w.e.f 1st April, 2020.

We now desire to furnish the latest updates regarding impact of Covid-19 on the business of the Company as under:

1. Impact of Covid-19 on the business:

In light of the unprecedented situation owing to the spread of COVID-19, the Company is facing a slowdown in production which is likely to continue for a couple of months. Though there is no significant reduction in demand, the capacity to fulfill the orders has been reduced mainly on account of limited manpower and logistics challenges caused by lockdown restrictions.

2. Ability to maintain operations:

Our both the factories were non-operational for eight days w.e.f 24th March, 2020. After getting necessary permissions from the Government and the concerned local authorities and ensuring compliances related to Covid-19 guidelines, the Company has begun plant operations in phased manner from 1st April, 2020. Currently, both the factories are operating with limited manpower. The Head Office of the Company located at Mumbai remains closed w.e.f 24th March, 2020 until receipt of further instructions from the Government. However, the employees at the Head Office are operating through remote access.



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3. Steps taken to ensure smooth functioning:

The Company is following the Government directives regarding health and safety of the workforce. Transportation facility has been provided for the local workforce at the factories. The Work From Home facility has been extended to most of the employees. Further, adequate stock of important ingredients is maintained. Purchases from alternate local suppliers have been facilitated and efforts are being made to ensure timely dispatches of the finished goods.

4. Estimation of the future impact of COVID-19 on operations:

The temporary closure of the manufacturing units and the current operations at reduced capacity are likely to have some financial impact, the extent of which is not readily quantifiable. The Company is making every effort to mitigate this.

5. Details of impact of COVID-19 based on certain performance parameters:

- a. Capital and financial resources and other assets - As per the current assessment, there is no significant impact on the Company's capital and financial resources and other assets of the Company.
- b. Liquidity - The Company has a strong balance sheet and liquidity position.
- c. Ability to service debt - As of date, the Company has no long term debt and has adequate financial resources to meet its working capital requirement.
- d. Internal Financial Controls - The Company has robust ERP system in place and all its locations are well networked. Accordingly, all Internal Financial Controls and reporting systems are working seamlessly without disruption.
- e. Supply chain - There is certain disruption to supply chain in respect of mobilizing the workforce, availability of ingredients and dispatch of orders. However, we expect improvement in supply chain as the states and countries are continuously announcing relaxations and taking steps to improve trade and commerce.
- f. Demand - There is no significant impact on the demand as of now.

6. Impact on contracts/ agreements:

The Company does not foresee any significant impact in respect of its existing contracts and agreements where the non-fulfillment of obligations by any party would lead to any material financial claim.

7. Other relevant material updates: None

For **ADF Foods Limited**

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Date: 2020.05.22
19:34:09 +05'30'

Shalaka Ovalekar
Company Secretary