



Ahimsa Industries Ltd.

Reg. Office: Plot No. 160, Devraj Industrial Park,
Piplaj - Pirana Road, Village - Piplaj,
Ahmedabad - 382405. Gujarat (INDIA).

T. +91 79 29706733 / 29708292

ahimsagreenpet@gmail.com | info@ahimsaind.com

CIN: L25200GJ1996PLC028679

Date: 01.06.2020

To,
Listing Department (NSE Emerge Platform)
National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra Kurla Complex, Bandra (East),
Mumbai - 400 051

Name of Scrip: AHIMSA

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 said circular advising listed entities to make available all information about the impact of Covid-19 pandemic in a timely and cogent manner to its investors and stakeholders. While on this, we have already advised the temporary closure of our factory from 22.03.2020 and its restart on 19.05.2020. Thereafter the main crushing season for the company ended on 18.05.2020 in the normal course.

Having regard to the above SEBI circular, we now desire to furnish the following based on our evaluation of the impact of Covid-19 pandemic on our business, performance and financials.

Sr. No.	Particulars	Disclosures/Information
1	Impact of the COVID-19 pandemic on the business	The Company's all outlets and manufacturing facilities remained shut from March 22, 2020 due to lockdown, which has negative impacted its operations of the Company during last week of March, April and May 2020. and manufacturing facilities was partially re-opened with 10-20 % capacity w.e.f. May 05, 2020, and some of outlets partially re-opened w.e.f. May 19, 2020, However, upon opening of factories we are in process of dispatch of some of our export orders to USA and Europe.
	Ability to maintain operations including the factories/units/office spaces functioning and closed down	The Company has restarted operations with some of factories considering order book and available workforce, since May 19, 2020, adhering to the safety norms prescribed by Government of India.
	Schedule, if any, for restarting the operations	
	Steps taken to ensure smooth functioning of operations	The Company is taking utmost care of its staff and work force has put in place strict monitoring process for Covid-19 ensuring the following, ✓ Enforcing wearing of masks and regular cleaning of hands ✓ Thermal Screening of all employees and visitors ✓ Sanitizing the premises and vehicles on regular basis ✓ Regular update of the health of all the employees and their families ✓ Maintenance of social distancing at all work places ✓ Asking all employees to have Aarogya Setu App
	Estimation of the future impact of COVID-19 on its operations	April - June' 2020 being lockdown months, the revenues and profitability of the Company are likely to be adversely impacted. However, the company is closely monitoring it the business situation. Though we do hope the business situation should normalize during 3 rd and 4 th quarter.
Details of impact of COVID-19 on listed entity's –		
	Capital and Financial resources	The Company has no plan to increase the Capital in the near future. As regards financial resources we would like to clarify that every year normally 70% of the annual sales coming from 1 st & 4 th quarter of the year. For the financial year 2019-20, and due to this lockdown situation, we could achieve only 55% to 60 % of the normal 4 th quarter sales. Hence, the total sales turnover for the 2019-20 is 80% of the estimated sales. This has effected the Cash-Flow of the company for last 3 months. Since the COVID-19 lockdown is

		extended till 31 May, 2020 and we are not sure when it will get over. Whatever it may be the impact of COVID-19 on the financials of the company will be for over 1 year.
	Profitability:	The profitability of the company for the year 2019-20 is not yet finalised but is expected to reduce by 70% of the estimate. The profitability for the year 2020-21 will also be at lower level because of reduction in sales due to the impact of COVID-19 lockdown and rescission in the real estate market. In view of lock down, the profitability during 1st quarter (April to June) is likely to be adversely impacted. As the business situation is very dynamic, the company is closely monitoring it. Though we do hope the business situation should normalise during 3rd and 4th quarter.
	liquidity position	This pandemic circumstance hit and closed factory and sales during this lockdown period which affected on the sales performance of the Company and same is effecting the liquidity of the company. Our sales activity are closed in this lockdown period, our major revenue shall be reduced drastically, and the cash position will be under stress. The company is planning reduce the overhead cost. The banks as per the RBI guidelines have extended 6 months moratorium period for payment of principal and interest payments. This has given immediate and temporary relief for the liquidity position of the company. Even with present, very tight liquidity position which the company is confident of overcome by various measures by 3 rd & 4 th quarter.
	Ability to service debt and other financing arrangements:	All the banks have extended total 6 months moratorium for servicing of principal and interest on borrowings. The term loan outstanding as on date is Rs. 37.62 Lacs and the quarterly payment is only Rs. 10.32 Lacs And including interest on term loan and working capital borrowings would be about Rs. 25.42 Lacs per quarter which the company is confident of servicing in time.
	Assets:	The Company is not planning any addition to assets during the year.
	Internal financial reporting and control	The Company has taken Cash flow control and overhead control measures to manage the operations. The Company has robust ERP System in place. Even during lockdown, IT / reporting systems worked seamlessly without any disruption.
	Demand for its products:	Since there has been closed down factory for more than one and half month and the same has just started that too in a limited way, we expect it would take some time for us to pick up demand for our product. There is temporary reduction in demand due to lock down, which we expect to improve in 3rd quarter and shall normalise by 4th quarter.

	Existing contracts / agreements	
	Conclusion:	If the lockdown gets eased further going forward, Company expects to gradually come back to its original level of operations, in the upcoming months. However, the Q-1 & Q-2 performance is likely to have its impact on the annual performance for the year 2020-21

Kindly take this information on your records and acknowledge the receipt.

Thanking you,

Yours faithfully,

For, Ahimsa Industries Limited



Rashmi Lakhani
Company Secretary & Compliance Officer