

May 30, 2020

To,
General Manager
The Bombay Stock Exchange Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort
Mumbai
Maharashtra 400001

Subject : Disclosure of material impact of COVID—19 pandemic on the Company under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Company Code : 540728

Dear Sir,

The lockdowns and restrictions imposed on various activities due to COVID – 19 pandemic, while being a necessary measure to contain its spread, have also posed unprecedented challenges to all businesses and the business operations at Sayaji Industries Limited have been no exception to this.

Pursuant to Regulation 30 of Listing Regulations read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020 and with reference to our earlier relevant disclosures on the subject, following are the brief details relating to the impact of the COVID-19 pandemic and the resultant lockdown, on the operations of the Company:

Production and Operations:

Owing to the pandemic of Covid-19 and the ensuing Lockdown throughout the country, we at Sayaji Industries Limited had halted the production at our plant in Kathwada, Ahmedabad from 2nd April, 2020. The production and other operations have been resumed in a staggered manner from 4th May, 2020. Presently we are working at close to 60% of our Production Capacity and are hopeful of gradually increase in the same in upcoming months.

We are following all the guidelines and SOPs suggested by Government and other bodies to maintain Social Distancing at work place and other hygiene practices such as sanitization tunnels, measuring of temperature with infrared scanners, etc. at the plant. At the same time, we have advised all our administrative staff to work from home as far as possible and ensure smooth functioning of all operations. Since majority of our workforce consists of locals, we are protected from the possible labour shortages due to the migrant labour issue.



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Liquidity Position:

Sayaji Industries Limited has not availed of any moratorium and the liquidity position is adequate to service all interest and debt repayments. Due to the Lockdown and prevailing economic situation, the realization of receivables has been delayed and the same has been subsequently passed on to the payables.

Supply Chain and Demand Scenario:

The supply chain was a little constrained in the first half of May 2020 due to limited availability of means of transportation but the situation is improving by the day and we do not foresee major issues going forward. The demand of Sweetener group product such as Liquid Glucose, Sorbitol, Dextrose Monohydrate and Anhydrous Dextrose is strong as they are mainly supplied to Food, FMCG and Pharma companies. The demand for Starch which is also supplied to Textile, Paper and Packaging Industry is soft as compared to the rest of product basket. However, with opening of the industries now, we expect the demand from these industries to pick up gradually.

Profitability:

The profitability will be impacted negatively in the first quarter due to the Lockdown and inadequate absorption of fixed costs. As per the directive of Government and on humanitarian grounds, Sayaji Industries Limited has made full payment of salaries and wages to all its workers and contract workers for the months of March and April. The management is actively looking at various cost reduction measures to reduce fixed costs. At the same time, the drastic reduction in Raw Material prices is expected to cushion the profitability of the company in the longer run.

Kindly take the same on your record and acknowledge.

Thanking you.

Yours faithfully
For Sayaji Industries Ltd.

R. H. Shah

(Rajesh H. Shah)
Company Secretary &
Sr. Executive Vice President

