



**Lokesh
Machines Limited**



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CIN : L29219TG1983PLC004319

Date: 12/06/2020

To Bombay Stock Exchange Limited Department of Corporate Services Floor 25, PJ Towers, Dalal Street Mumbai- 400001 Scrip Code: 532740	To National Stock Exchange of India Limited Listing Department Plot No. C/1, G Block, Exchange Plaza, Bandra Kurla Complex Bandra(E), Mumbai- 400051 Company Code: LOKESHMACH
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Dear Sir/Madam,

Sub: DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

Pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 kindly find the attached disclosure on disclosure of material impact of Covid-19 pandemic.

This is for your information and record.

Thanking You,

For Lokesh Machines Limited

Matru Prasad Mishra

Matru Prasad Mishra
Company Secretary



Encl:a/a

LOKESH MACHINES LIMITED

DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

Pursuant to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 on disclosure of material impact of Covid-19 pandemic are as follows:

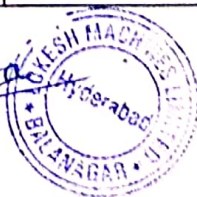
Sl No.	Particulars	Disclosures
1.	Impact of the CoVID-19 pandemic on the business	Due to country wide lock-down to prevent and contain the spread of COVID-19, the manufacturing plants of the Company remained shut from March 23, 2020. From the second week of May, 2020 Company has resumed operations in a phased manner as prescribed by the State Government and plants are in operation, at present. The shutdown hit Company's operations during last week of March, 2020 to first week of May 2020. However, upon opening of factories we are in process of production and fulfilment of some of our orders which had been completed prior to shutdown.
2.	Ability to maintain operations including the factories/units/office spaces functioning and closed down;	Currently the Company has restarted operations with some of factories in a phased manner and available limited workforce, since second week of May, 2020, adhering to the safety norms prescribed by Government of India.
3.	Schedule, if any, for restarting the operations	Currently the plants and administrative office have opened up in accordance with the guidelines prescribed by Government along with all safety norms and operating with reduced manpower.

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4.	Steps taken to ensure smooth functioning of operations	The company has a restart manual in place and everyone is expected to adhere to the same. The Company is taking utmost care of its staff and work force by adopting measures like sanitisation, social distancing, mandatory mask wearing, thermal screening at the entry point, avoiding large group or gathering, maintaining proper hygiene. Supply chain is being monitored to ensure availability of material. We have taken cash flow, capital expenditure and overhead control measures to smoothly manage our operations.
5.	Estimation of the future impact of CoVID-19 on its operations	From last week of March 2020 till first week of May' 2020 being lockdown period, as per our preliminary estimate the revenues and profitability of the Company are likely to be adversely impacted. However, the extent to which the COVID-19 pandemic will impact the business performance of the Company will depend on future developments which are highly uncertain and unpredictable. Though we do hope the business situation should normalise after the 2nd quarter of FY 2020-21 onwards.
6.	Detail's on Impact of Covid-19 on Listed Entity's	
6.1	Capital and financial resources	The Company's capital and Banking facilities remain intact. There are no major liquidity concerns as we have availed additional Banking limits under Covid.

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6.2	Profitability	In view of lock down, the profitability during the Fourth Quarter of FY'20 and First Quarter of FY'21 (April to June 2020) are adversely impacted. The extent to which the COVID-19 pandemic will impact on the business performance of the Company will depend on future developments which are highly uncertain and unpredictable. Though we do hope the business situation should normalise after the 2nd quarter of FY 2020-21 onwards.
6.3	Liquidity position	Banks have offered additional limits as well as Moratorium on Term Loans. The company has availed these facilities to tide over any liquidity issues arising due to delayed payments from Customers etc. due to which the cash position will be under stress. The company does hope cash position to be normal by end of the 3rd quarter.
6.4	Ability to service debt and other financing arrangements	Though the cash position is challenging, the company has availed the moratorium as well as additional facilities under Covid offered by the banks. and further; with our limits and control over expenditure, the company will be able to serve its debt and other financing arrangements/obligations.
6.5	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.

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6.6	Demand for its products/services	There is temporary reduction in demand due to lock down, which we expect to improve in 3rd quarter and normalise by 4th quarter of the Financial year. With a good monsoon, the rural demand is expected to be robust and therefore we foresee business from customers catering to this sector.
7	Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business.	There are no such contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the company's business.
8	Other relevant material updates	At present there is no other relevant update about the business of the Company.

Given the uncertainty around the severity and duration of the COVID-19 impact, the Management of the Company is not able to accurately assess the impact of the Pandemic on future financial performance at this point of time. Moreover, the detailed impact assessment of COVID-19 on the business of the Company is a continuing process in the light of the uncertainties associated with its nature and duration. The Company will continue to closely monitor the developments and the material impact, if any, will be disclosed to the Stock Exchanges.

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