



**AVT NATURAL  
PRODUCTS LIMITED**

AVTNPL/SE/001/2020-21

July 30, 2020

<p>The Listing Manager BSE Limited, Phiroze Jee jee bhoy Towers, 25<sup>th</sup> Floor, Dalal Street, Mumbai - 400 001.</p> <p><b><u>Stock Code – 519105</u></b></p>	<p>The National Stock Exchange of India Limited “Exchange Plaza” Bandra Kurla Complex, Bandra East, Mumbai - 400 051</p> <p><b><u>Stock Code - AVTNPL-Eq</u></b></p>
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Dear Sir/Madam,

**Sub: Disclosure note on Material Impact of Covid-19 Pandemic**

**Ref: Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 as issued by the Securities and Exchange Board of India (SEBI)**

This has reference to the above SEBI Circular and we would like to disclose as under:

**1. Impact of the Covid-19 pandemic on the Business:**

The Company had temporarily suspended its commercial operations in accordance with the Government’s lockdown declaration on 24<sup>th</sup> March, 2020. However, the production units at Vazhakulam in Kerala and Tiptur in Karnataka had restarted operations with a skeleton staff from second week of April 2020, and Sathyamangalam unit followed later, after receiving all necessary approvals as well as implementation of all Covid-19 related safety protocols.

Being primarily involved in the food industry, the Company has not seen any adverse impacted on the demand for its products during this period. However, the delayed impact on our markets have to be evaluated as the situation continues to unfold globally

**2. Ability to maintain operations:**

After restarting its operations, the Company has been able to maintain its operations at optimum scale while adhering to all Covid-19 related safety protocols including the social distancing norms at workplace.

As the situation continues to evolve, the Company has to remain vigilant and agile in its approach during this unprecedented Global crisis. The Company is fully geared to

withstand these challenges backed by its financial and operational strengths.

**3. Steps taken to ensure smooth functioning of operations:**

The Government has commenced unlocking of the economy, which eases the pressure on the Company's supply Chain. The overall challenges prevailing in the supply and logistics side will continue to ease in the days ahead.

**4. Estimation of the future impact of the pandemic on its operations:**

Considering that the challenges posed by this Global pandemic is dynamic and unprecedented, the Company is cautious in its overall approach, The Company is confident about adapting to the changing business environment and respond suitably to fulfil the needs of its customers and all stakeholders by virtue of its robust financial health and customer base.

**5. Details of impact of CoVID-19 on capital, financial resources, liquidity, profitability, internal financial controls, Supply Chain and demand for company's product:**

The Company has adequate liquidity to meet all its commitments. The Company has also implemented stringent cost control measures across the organization to conserve cash to address any evolving situation resulting from the pandemic. The Company has not availed any moratorium for repayment of term loan instalments or for working capital interests offered by the banks. The Company does not foresee any major challenges or incremental risk in realizing its receivables during this period.

The Company is proactively reaching out to its customers to secure and grow its business even in these challenging times. The Company is using all its resources to expand its customer base even during this period. There is increased emphasis on new product development and sales. All the unit processes are being reviewed to curtail costs and minimize any wastages. There is increased emphasis on the use of technology to minimize costs.

The Company has adequate internal financial control system through interventions of both technology and otherwise. There is no impact on its internal financial controls due to the COVID-19 situation.

The Company is in continuous contact with all its vendors to improve its supply chain and restore complete to normalcy. The dispatches have continued uninterrupted. Potential delays and impacts were minimized through early interventions in the supply chain to avoid any adverse shocks.



**6. Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on its business:**

There is no major impact on its existing contracts with customers . There are not any instances of contract cancellations or any party raising force majeure clause in the wake of this pandemic.

The Company is well positioned to fulfil all its obligations and existing contracts. At present, we do not foresee any unfulfilled contract obligations due to the Covid-19 situation.

This may please be taken on record.

Thanking you,

Yours faithfully,  
For AVT Natural Products Limited



(Dileepraj.P)  
Company Secretary