

PRIMA AGRO LIMITED



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30th July 2020

To

The Corporate Relationship Department,
Bombay Stock Exchange Ltd,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001

Dear Sir,

**Sub: Disclosure of material impact of COVID-19 pandemic on listed companies
Under Regulation 30 of the SEBI (Listing Obligations & Disclosure
Requirements) Regulations, 2015.**

Ref: Scrip Code No. 531246

With reference to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 regarding, Advisory on disclosure of material impact of COVID-19 pandemic on listed entities under SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015, we are enclosing herewith the required information.

You are requested to take the same on your records.

Thanking you,

Yours faithfully,
For Prima Agro Limited

V.R.Sadasivan Pillai
Company Secretary & Compliance Officer



Encl: as above



DISCLOSURE OF MATERIAL IMPACT OF COVID-19 PANDEMIC

Our Company is in the manufacture of Compounded Cattle Feed. The impact of COVID-19 pandemic had affected the physical & financial performance of the company for the 1st Quarter of 2020 as the nationwide Lockdown was announced only in the last week of the financial year 2020. The prolonged lockdown in India have adversely affected milk yields by disrupting the supply chains for feeds and fodders, more so, for the urban and peri-urban industrial production system especially large rural dairies that depend on manufactured feeds.

The detailed safeguards taken during the present Covid-19 and continuing the business operations are enlisted below

Impact of COVID- 19 on Business:

The catastrophe caused by the spread of the Corona Virus has crippled the entire world. The adverse impact on the businesses and economies across the globe is unparalleled. In the post-lockdown period, the need is to strengthen local processing and storage of feeds and fodders and manufactured feed. The lockdown events have reduced the demand for Cattle Feed in Kerala, which is mainly to the consumers belief that the Corona virus has its origin in Factories where Compounded Cattle feed is manufactured from Raw Materials procuring from northern States.

However, during all the lockdowns since March 2020, as announced by the Central & State Governments to curb the rapid spread of the virus, the Company was able to continue the production by obtaining a permit to operate from the District Collector as ours is in the "Essential Commodity category" and to maintain the production level parallel to the demand. So no critical business activity was disrupted and the Management ensured smooth functioning of all critical business activities during the last few months.

Initiatives undertaken during lockdown period:

- (i) In accordance with the Government's directions to prevent the spread of Corona virus (COVID-19) and to ensure the health and safety of production workers regular health checkups and temperature monitoring was being done to detect any Covid- 19 symptoms.
- (ii) Introduced the system of full sanitization of vehicles entering the factory compound with Raw Materials and vehicles came for lifting finished goods.



- (iii) The Company had started the system of Work from home for all the possible employees during lockdown.
- (iv) IT security was enhanced and capacity of IT systems increased.
- (v) Employees working from home were provided with Laptop/ Desktop and internet connection with secured VPN access.

Steps taken to ensure smooth functioning of operations:

As manufacturing of Cattle Feed was declared as essential activities in April 2020, after taking `necessary approvals from the government authorities, the offices have been opened with only minimum staff at lower levels as per the Govt. & Statutory guidelines from time to time. Visitors were restricted. All the discretionary expenses like travel and business promotion are curtailed.

The Company has taken necessary steps for ensuring safety and well-being of its human resources viz. undertaking proper health checkups and frequent sanitization to "Break the Chain", maintaining social distancing at every place, compulsory wearing of mask at all times, thermal screening of employees at the offices entrance and directed all workers and staff to download the "Arogya Setu App".

Estimation of the future impact of COVID-19 on its operations:

In the prevailing situation of Covid-19 in our place of business, the impact of the COVID-19 pandemic will be unpredictable and there is every chance of showing Covid-19 symptoms to our workers in which case local authorities may order to close the factory.

Impact on Capital and Financial Resources:- As per the current assessment, there is significant impact on the Company's capital and financial resources. The Company would be exploring the various options to avoid such a situation by keeping away the Covid -19 from its campus and try to strengthen the growth opportunities and to face COVID-19 led contingencies and events.

Profitability:-The negative impacts of the COVID-19 pandemic will be reflected in the business revenues and profitability of the Company for the quarterly financial results for the year 2020-21, and the level of the same cannot be ascertained at present.

Liquidity Position:-As per Notification issued by RBI for COVID-19 regulatory package on March 27,2020 and May 23, 2020, the option of moratorium has been offered to all the customers for installments falling due between March 1, 2020 and August 31, 2020 due to which liquidity position has been adversely impacted. However, we feel that this is a temporary phase and that the



Indian Economy should bounce back quickly. Further, at present, the Company has no borrowed fund and much EMI obligations

Ability to service debt and other financing arrangements:-As a prudent business decision, our Company keeps away from outside borrowings.

Assets:-Our Company very pragmatically reviews its liquidity position on a daily basis and ensures that there is no asset liability mismatch.

Internal Financial Reporting and Control:-Our Company has taken suitable Cash Flow control and overhead control measures to manage the operations and weekly review mechanism was adopted to find deviations if any.

The various opinions envisaged above are forward-looking statements. The actual results, performance or achievements can thus differ from those projected depending on various factors over which, the Company does not have any direct control.

Kindly take the same on your record.

Thanking you,

Yours faithfully
For Prima Agro Ltd

V.R.Sadasivan Pillai
Company Secretary & Compliance Officer

