



The Listing Compliance Department
BSE Limited
Floor 25, PJ Towers
Dalal Street,
Mumbai – 400 001

Date: 18.06.2020

Dear Sir,

Sub: Disclosure under Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Updates regarding material impact of Covid-19

Ref: SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20.05.2020

With respect to the captioned subject and the above reference, we would like to disclose the material impact of the Covid-19 Pandemic is given as under:

S No.	Particulars	Disclosure
1	Impact of the COVID-19 pandemic on the business	<p>The Company is engaged in the business of manufacture of Aluminium Fluoride and related products. The spread of COVID 19 throughout the World including India has led to Nationwide Lockdown with effect from 24/03/2020. Accordingly, in strict compliance with the directions issued by Central Government/State Government/ Municipal Corporations with a view to prevent and contain the spread of COVID-19, the Company had temporarily shut down all its offices/ plant to ensure the safety and wellbeing of all its employees, customers and other stakeholders. It has temporarily affected the production continuity, delayed scheduled deliveries and resulted in increased Inventory. It has thus expected to moderately impact the revenue and profitability of the Company for the first quarter 2020-21. The Company has planned to expand its production facilities with internal reserves as well borrowed funds and planned to commission the expanded plant by 20th March 2020. The Company also planned to commission 1.4 MW solar plant by 15th March 2020. Due to COVID these expansions could not be completed and therefore postponed to FY 2020-21.</p> <p>The Company has obtained clearance from the District Collector, Visakhapatnam vide its letter dated 10th April 2020 to start the existing plant with about 40% of the manpower and has started the production w.e.f. 15th April 2020.</p>

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Wealth from Waste

Alufluoride Ltd.

Mulagada, Mindi, Visakhapatnam 530 012, India
(91) 891 257 7077 | contact@alufluoride.com
alufluoride.com
CIN – L24110AP1984PLC005096

2	Ability to maintain operations including the factories/units/ office spaces functioning and closed down	During the initial phase of lockdown, the factory operations had come to a standstill and were completely shut. Post the first phase of lockdown, the Company has resumed its operations with about 40% of the manpower after obtaining the clearance from the District Collector, Visakhapatnam. All relevant safety guidelines issued from time to time by the government and industry bodies in relation to Covid-19 pandemic have been adopted for safe operations. Employee safety is paramount amidst this pandemic and is at the center of all business operations. Wherever possible, staff have been encouraged to work from home, thereby minimizing head counts on site to extent possible, while ensuring seamless operation, reporting and control.
3	Steps taken to ensure smooth functioning of operations	<p>The situation continues to be intensely and constantly monitored by the Management to ensure speedy responses needed, operationally, for employee safety and business continuity during this pandemic. Several steps have been taken to ensure smooth functioning of operations:</p> <ul style="list-style-type: none"> ➤ Priority was creating an awareness amongst the employees on Covid-19 and the need for safety practices such as sanitization, hygiene, and observing social distancing norms. ➤ CCTV cameras have been installed and operationalized to monitor strict adherence to social distancing and hygiene. ➤ Steps were taken to facilitate transportation for essential staff; work from home was rolled out to maximum extent possible; thermal screening; social distancing; wearing of masks; Aarogya Setu App; providing food and stay onsite for employees wherever necessary to ensure uninterrupted work; adequate supply of raw materials, consumables, power, fuel, transportation etc., were ensured. These safety measures continue to be in force. ➤ Continuous communications are maintained with customers to support them in their projects.

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4	Estimation of the future impact of COVID-19 on its operations	Company has been, and neither will be, an exception to the impact of Covid-19. Given the uncertainties domestically as well as globally, any estimation of future impact would be difficult. However, to whatever best understanding we have, we expect that from global Aluminium market (our customers) will come to normal pace as States and Countries are continuously announcing relaxations and taking steps to improve trade and commerce.
5	Details of impact of COVID-19 on listed entity's	<p>a. <u>Capital and financial resources</u> The Company does not foresee a need to increase its capital. Financial resources have not been stretched and currently we are able to meet all our major obligations as per the arrangements.</p> <p>b. <u>Profitability:</u> The Company's profitability for FY 2019-20 has not adversely effected since the lockdown period of FY 2019-20 is minimal. As the Company could not complete expansion works by 31st March 2020, the expansion works delayed resulted less production in FY 2020-21 than expected earlier. These reductions may have impact on reduced profitability for FY 2020-21 than estimated.</p> <p>c. <u>Liquidity position:</u> Due to delay in completion of project expansion and Solar project, the Company had to pay higher income tax for FY 2019-20 as projected, however the Company may reduce the tax liability for the current year i.e., FY 2020-21. Due to less production in FY 2020-21 than expected earlier, reduction in profit levels may have impact on Company's liquidity position which may marginally affect the Company's liquidity for future overseas projects.</p>

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		<p>d. <u>Ability to service Debt and other financing arrangements:</u> Company is confident to continue to service all debts and meet all obligations of financial arrangements as per due dates.</p> <p>e. <u>Assets:</u> None of the assets of the Company have been impacted or impaired by the pandemic situation. Further, the Company continues to procure assets as per business requirements and expansion plans.</p> <p>f. <u>Internal financial reporting and control:</u> The management is constantly striving in ensuring an effective internal financial reporting and control measure. Systems are established to ensure the validity of the transactions and safeguarding of the assets.</p> <p>g. <u>Supply chain:</u> Government has permitted the manufacturing for essential goods, import and export activities. Manufacture of Aluminium Fluoride will not come under direct essential products manufacturing, but ALUMINIUM FLUORIDE is a critical input in manufacture of ALUMINIUM and ALUMINIUM production comes under essential manufacturing, the Company succeeded to get permission to run the plant during lockdown period. Till the Company gets permission to start the plant i.e., during the first phase of lock down (from 25.03.2020 to 15.04.2020), the supply chain was impacted. The raw materials, Acid from PPL/IFFCO, Paradeep, Hydrate from Nalco, Damanjhodi, lime/FO had commenced from 15th April 2020.</p>
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		<p>h. <u>Demand for its products/ services:</u> As domestic manufacturers cater to only 15% of the Indian market, we do not anticipate any demand pressure. In addition, the Company finalized annual sale contracts for FY 20-21 and therefore do not expect any impact from the demand side</p> <p>However, for FY 21-22 we could experience a demand side sluggishness and consequently erosion of margins, impacting profitability.</p>
6	Existing contracts/ agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business	The Company does not foresee significant impact in respect of its existing contracts and agreements where the non-fulfillment of obligations by any party would lead to any material financial claim by or against the Company. All the raw material suppliers are functioning at almost full capacity.
7	Other relevant material updates about the listed entity's business	The Company is in the process of evaluating the same and will intimate the exchange in due course, if found material.

We request you to kindly take the above on record and acknowledge receipt of same.

Thanking you

Yours truly,

For Alufluoride Ltd

V.B.RAMA SARMA
Company Secretary
MS No.ACS22066