



Deep Polymers Limited.

Additive Filler Compoundings

CIN : U25209GJ2005PLC046757



Date: 12th June, 2020

To,
Department of Corporate Services,
BSE Limited,
P. J. Towers,
Dalal Street, Fort,
Mumbai - 400001

Dear Sir,

**Sub: Disclosure of material impact of COVID-19 pandemic on the Company under Regulation 30 of SEBI (LODR) Regulations, 2015.
Ref: Security Id: DEEP / Code: 541778**

With reference to SEBI Circular SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, read with Regulation 30 of SEBI (LODR) Regulations, 2015. We would like to inform you that the Government of India's notifications for Lock down from March 22, 2020 to May 31, 2020 to contain spread of COVID-I9 disease. We as a responsible corporate entity were utmost concerned about the health & safety of all our employees, stakeholders and their families. Accordingly, we extended our full support and cooperation to said lock down and the registered office and manufacturing units followed guidelines as issued from time to time.

Pursuant to Regulation 30(3) of the SEBI (Listing obligations & Disclosure Requirements) Regulations, 2015, disclosure & information that the Company considers disclosing, subject to the application of materiality, given below:

1. Impact of the COVID-19 pandemic on the business:

The Company's manufacturing facility were shut from 22nd March, 2020 due to lockdown and was re-opened from 24th April 2020 with 50 % employees and 50% working Capacity, which has impacted its operations during April and May, 2020. Some of the Company's pending orders are onhold as per requirements of buyers. However, process to dispatch domestic orders and export orders were partially started from 24th April, 2020.

Further due to COVID-19, Sea freight is too much increased & its reflection on import costing & Export Sales.

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2. Ability to maintain operations including the factories / units / office spaces functioning and closed down: (Schedule, if any, for restarting the operations)

Company has restarted its operations from 25th April 2020 with 50 % employees and 50% working Capacity, adhering to the safety norms prescribed by the Government of India.

3. Steps taken to ensure smooth functioning of operations:

The Company is taking utmost care of its staff and work force like sanitization, social distancing, mandatory mask wearing, thermal check at the gate, maintaining proper hygiene. Further Company has also arranged living place and food for the workers who are migrated from other cities / states.

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.

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

Since the factory has started after lockdown, till 31st May, we were working with 50 % employees and 50 % capacity, due to this Companies revenues are declined upto 50 %, and also cost of the Company has increased which has adversely impact on profit of the Company.

As the business situation is very dynamic, the Company is closely monitoring it. Though we do hope the business situation should normalize in 3-4 months.

5. Details of impact of COVID-19 on the Company:

- Capital and financial resources

The Company's capital and Banking facilities remain intact. There are no liquidity concerns as we have sufficient unutilized Banking limits available. However, the Company is witnessing delay in receivable collection from buyers as buyers are extending payment terms.

- Profitability

In view of lockdown, the profitability during 1st quarter (April to June 2020) is likely to be adversely impacted. As the business situation is very dynamic, the Company is closely monitoring it. Though we do hope the business situation should normalize in 3-4 months.



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- Liquidity position

As explained above, there are no liquidity concerns as we have sufficient Banking limits available. However, due to our receivable getting delayed, the cash position will have minor Impact. The Company do hope cash position to be normalize by June 2020.

- Ability to service debt and other financing arrangements

The Company has sufficient capital limits to meet financial requirements. Though the cash position is challenging, with our limits and tight control over expenditure, the Company will be able to serve its debt and other financing arrangements regularly on due dates.

- 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.

- Demand for its products / services

There is temporary reduction in demand due to lockdown, which will improve from July, 2020

Thanking you.

For, Deep Polymers Limited

Rameshbhai Patel
Managing Director
DIN: 01718102

