

POLYCHEM LIMITED

CIN: L24100MH1955PLC009663

REGD. OFFICE: 7, JAMSHEDJI TATA ROAD, CHURCHGATE RECLAMATION, MUMBAI-400 020

Ph: 022 - 2282 0048, Fax: 022 - 2285 0606

E-mail: polychemltd@kilachand.com, Website: www.polychemltd.com

Date: 2nd June, 2020

To

Head Listing Compliance

Bombay Stock Exchange Ltd

Phiroze Jeejeebhoy Towers,

Dalal Street, Mumbai - 400 001

Company Code- 506605

Dear Sir/Ma'am,

Sub: Disclosure of material impact of Covid-19 Pandemic under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Ref: SEBI Circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020

Pursuant to advisory issued by the Securities and Exchange Board of India (SEBI) vide its circular SEBI/HO/CFD/CMDI/CIR/P/2020/84 dated May 20, 2020 and Regulation 30 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed herewith disclosure on material impact of COVID-19 pandemic on the Company.

| Sr. No. | Particulars | Disclosures |
|----------------|---|--|
| 1 | Impact of the CoVID-19 Pandemic on the business | The Company's manufacturing activities remained shut from 23 rd March, 2020 due to lock down. Since then the company has partially commenced operations w.e.f 23rd May, 2020 including dispatch of goods to some of its customers. |
| 2 | Ability to maintain Operations including the | The Company has started operations at factory adhering to the safety norms prescribed by the |

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| | factories/units/office spaces functioning and closed down | National and State directives for COVID-19 management and the standard operating procedure for Social Distancing for Offices, Workplace, Factories and Establishments as per the GoM guidelines vide notification no.DMU/2020/CR.92/DisM-1, dated 2nd May 2020 and 3rd May 2020 and any further addendum to the notification. |
| 3 | Schedule, if any, Restarting the operations | Company has commenced maintenance of company's unit at Plot No. W91, MIDC Phase-II, Sonar Pada, Dombivli East- 421203 as also supply to some of its customers from 23 rd May, 2020, which was closed due to lockdown. |
| 4 | Steps taken to ensure smooth functioning of operations | <p>The Company is taking utmost care of its staff at work place which includes sanitization, social distancing, mandatory mask wearing, washing, thermal check at gate, maintaining proper hygiene.</p> <p>To ensure functioning of our operations , we have taken care to communicate with our employees, stakeholders, customer and vendors about the company's status and updated them.</p> <p>Work from Home is provisioned of our staff before the announcement of the lockdown by the regulatory authorities.</p> |
| 5 | Estimation of future impact of COVID-19 on its operations | COVID - 19 has had a negative effect on business, with the operations being shut for nearly two months. Production during this period has been lost. Some of our customers have postponed their orders and have asked for delayed shipments. Some have cancelled orders. The full year impact cannot be ascertained at this moment for the F.Y.2020-21 and will depend on order pickup from the second quarter onwards |
| 6 | Details of Impact on listed Entity's Capital and Financial resources : | |

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| 6.1 | Capital and Financial Resources | The Company's capital and financial resources remain comfortable. The Company has made collections from the debtors and there are no bad debts presently. Other than raw material suppliers we have no creditors. |
| 6.2 | Profitability | Due to lockdown extension, there being no production and sale in the month of April 2020 and limited sale in May, 2020 the profitability is impacted for the relevant period. However, the company will closely monitor the future production and demand to arrive at the correct status of profitability and ascertain margins. |
| 6.3 | Liquidity Position | The liquidity position of the Company will likely be in a comfortable zone. The Company has been paying statutory dues, salaries and is able to service all its dues on time and there is no delay or default of any commitments. |
| 6.4 | Ability to service debt and other financing arrangements | The Company has not resorted to any Financing Arrangements and is able to service its creditors. |
| 6.5 | Assets | The Company has no issue with regards to fixed assets. |
| 6.6 | Internal financial reporting and control | The Company has adequate internal financial reporting and control system. |
| 6.7 | Supply Chain | The supply chain of key materials affected temporarily, but it is expected to be normalized as lock down relaxation takes place. |
| 6.8 | Demand for its products/services | Some customers have delayed and some have cancelled orders. We are expecting improvement in demand in the coming months but the impact on existing demand cannot be ascertained at this |

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| | | moment. |
| 6.9 | Existing contracts / agreements where non fulfillment of the obligations by any party will have significant impact on the listed entity's business | There are no such contract/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business. |
| 7 | Other relevant material updates about the listed entity's business | There is no other relevant update about the business of the about the listed entity's business Company. |

You are requested to kindly take this on record.

Yours faithfully,

For **Polychem Limited**

Sd/-

(**Parthiv T. Kilachand**)

Managing Director

DIN: 00005516