

SE/CS/2020-21/26

27th July, 2020

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai-400001
Company Scrip Code – 530871

National Stock Exchange of India Limited
Exchange Plaza, Plot no. C/1, G Block,
Bandra-Kurla Complex, Bandra (W),
Mumbai-400051
Company Scrip Code – CHEMBOND

ISIN: INE995D01025

Sub: Disclosure pursuant to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020 on material impact of COVID-19 pandemic under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI LODR Regulation”).

Dear Sir / Madam,

In furtherance to our letter dated SE/CS/2020-21/10A dated 28th May, 2020 w.r.t. outcome of Board Meeting along with the Financials for the year ended 31st March, 2020 wherein we had given a note on COVID-19 and as per SEBI circular number SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020, the Company is submitting the following details to the extent possible:

IMPACT OF THE COVID-19 PANDEMIC ON THE BUSINESS

1	Impact on the Business of the Company:	COVID-19 has impacted normal business operations of the Group. Manufacturing, supply chain, cashflows etc. have been disrupted. All plants of the Group were shut down on 23 rd March 2020 only to restart at considerably lower productivity between 8 th April and 25 th April, 2020. Necessary precautions to ensure hygiene, safety, and wellbeing of all our employees at all plants have been implemented.
2	Ability to maintain operations including the factories/units/office spaces functioning and closed down:	Subsequent to receipt of permissions from the authorities, the Company resumed operations in plants in phased manner. Many employees of our offices are still working from home.
3	Schedule, if any, for restarting the operations:	The Company has already restarted the operations albeit in a phased manner.
4	Steps taken to ensure smooth functioning of operations:	All safety protocols as directed by the Government authorities like temperature sensing, wearing of masks, social distancing and frequent washing of hands, regular health updates of all employees etc. have been strictly implemented and adhered. Further, all employees have been instructed to download the Aarogya Setu app launched by the Government of India.

Chembond Chemicals Limited

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5	Estimation of the future impact of CoVID-19 on its operations:	Since the uncertainties associated with this exceptional situation continue to evolve, Company is not able to estimate the impact with certainty. We are monitoring closely and will keep adjusting operations as called for from time to time to best cushion the adverse impact from this scenario.
6	Details of impact of CoVID-19	
	Capital and financial resources:	The Company's capital and banking limits remain intact.
	Profitability:	In view of the lockdown, the profitability during Q1 (April to June) is adversely impacted. As the situation is very dynamic, the Company is closely monitoring it.
	Liquidity position:	Though the cashflows were initially disrupted and under stress in Q1, they are improving and slowly returning to normalcy.
	Ability to service debt and other financing arrangements:	The Company is debt free.
	Assets:	The Company expects to recover the carrying amount of its assets comprising of property, plant and equipment, intangible assets, inventory, trade receivables and other financial and non-financial assets etc in the ordinary course of business based on information available on current economic conditions.
	Internal financial reporting and control	The Company has a sound internal financial reporting and control mechanism which ensures reliability, effectiveness, and efficiency of the work done. Wherever applicable additional controls are being added to address the current situation. Our IT systems and process control emerged stronger and better under the crisis as employees continued to work from home during the Lock down.
	Supply chain	Nationwide lockdown affected adversely the supply of material, availability of labour, transportation etc. However, the same improved as the lockdown were eased.
	Demand for its products/services:	We are experiencing a 30-50% drop in demand for products and services currently. The situation continues to evolve and a revival is expected in Q3 2020-21.
7	Existing contracts / agreements where non-fulfilment of the obligations by any party will have significant impact on the listed entity's business:	Company does not foresee any contract or agreements which will have significant impact on the business in case of non-fulfillment of obligation by any party.

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8	Other relevant material updates about the listed entity's business:	The situation is changing rapidly giving rise to inherent uncertainty around the extent and timing of the potential future impact of the COVID-19 which may be different from that estimated. The Group will continue to closely monitor any material changes arising of future economic conditions and impact on its business.
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Please take the above information on record.

Thanking You

Yours faithfully,

For CHEMBOND CHEMICALS LIMITED



Suchita Singh
Company Secretary



Rashmi Gavli
Chief Financial Officer



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