



SANGINITA CHEMICALS LTD.

(Erstwhile known as Sanginita Chemicals Pvt. Ltd.)

MANUFACTURERS & SUPPLIERS OF CHEMICALS

Regd. Office : 301, Shalin Complex, B/H Megh Malhar Complex, Sector-11, Gandhinagar - 382 011, Gujarat State.
Factory : Block No. 1133, Nr.GIDC-Chhatral Phase IV, At.: Chhatral, Ta. Kalol, Dist. Gandhinagar, Gujarat State.
Phone : (O.& Fax) 079-23240270, M.: 98240 65056, 93270 23982, 98792 30034
e-mail : dbchavada@yahoo.co.in / sanginitachemicals@yahoo.com
Website : www.sanginitachemicals.co.in.
CIN : L24100GJ2005PLC047292

16th July, 2020

To,
The National Stock Exchange of India Limited
Bandra Kurla Complex (Bandra East),
Mumbai-400051.

SYMBOL - SANGINITA

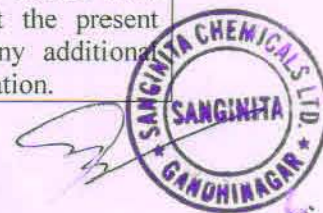
SUB: Submission of Disclosure of impact of COVID-19 Pandemic on the Company under Regulation 30 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMDL/CIR/P/2020/84 dated 20th May 2020, an update relating to the impact of the COVID19 pandemic on the operations of the Company is as under:

I	Impact of the COVID-19 pandemic on the business	<p>The outbreak of Corona virus (COVID-19) pandemic globally and in India has impacted business, financial markets and economy all over the world including India and created uncertainty and slowdown of economic activity for reasons beyond their control. Measures taken to contain the spread of the virus, including lockdown, social distancing, quarantines, and closure of non- essential services have triggered significant disruptions to businesses worldwide and in India, resulting in an economic slowdown.</p> <p>The Government of India had imposed nationwide lockdown in four phases started from 24th March, 2020. After fourth phase of lockdown, government has relaxed the lockdown in two phases. Currently unlock 2 is under process. Due to above said nationwide lockdown, the operations of factory and office of the company was required to remain closed for approximately 40 days spanning in part of the months of April & May, 2020.</p> <p>The impact of COVID-19 pandemic started worldwide from the month of December, 2019 and had severe impact on the business globally. This resulted in the slowdown in the production and sales of Company from January, 2020 itself which was followed by complete closure for approx.. 40 days spanning during the months of April, 2020 & May, 2020.</p>
---	---	---



		<p>Thereafter, the Company resumed the normal factory and office operations from the month of May, 2020 itself. The Company could achieve the level of 60% of the production and sale as compared to pre COVID19 numbers. In the month of June, 2020, there has been slight improvement in the production and sale to 70% as compared to pre COVID 19 period. This gradual increase in the production and sale is encouraging.</p> <p>However, it must be noted that the COVID 19 is an unprecedented phenomenon faced by all and as the pandemic has not been eradicated completely, the situation is very uncertain and has not completely stabilized.</p> <p>If the impact of COVID 19 get stabilized and/or subsided, the same may be expected to result into normal business operations after the next couple of quarters.</p>
2	Ability to maintain operations including the factories/ units/ office spaces functioning and closed down;	<p>The Company has decided to resume operations from factory and office with lesser workers/employees in the month of May, 2020 ensuring strict compliance to the guidelines issued by the Government authorities.</p> <p>The Company used to have arrangement of stay of workers in the factory premises itself. Due to lockdown, some of the outstation workers have migrated. However, there has always been availability of sufficient number of workers to achieve production based on available demand.</p>
3	Schedule, if any, for restarting the operations	The Company has already resumed operation in the month of May, 2020 itself after closure for approx. 40 days.
4	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, maintaining proper hygiene as following the government guidelines. The Company has taken various control measures to smoothly manage the operations. The Company is in touch with all its stakeholders and keeping a close watch on all the developments.
5	Estimation of the future impact of CoVID-19 on its operations	It is difficult to predict future as this is pandemic situation, it may decrease with the time or it may increase in future. Hence, the Company may not provide future estimation. However, Company can say that, if the situation of pandemic is better in future, the Company will resume its normal operation at pre COVID 19 capacity.
6	Details of impact of CoVID-19 on listed entity's:-	
6.1	Capital and financial resources	<p>The Company's own capital and Banking facilities remain intact. There are no liquidity concerns so far due to availability of sufficient unutilized own and Banking funds, hence there is almost no impact in terms of capital and financial resources of the Company.</p> <p>The Company has not obtained any additional finance from any Bank due to COVID-19. Looking at the present scenario, the Company will not obtain any additional funding from the Banks due to pandemic situation.</p>



		Moreover, the Company has not opted for moratorium period offered by the Banks during this pandemic. The Company continues to make regular payment of interest and debt repayment schedule inspite of lockdown period as well as COVID 19 impact.
6.2	Profitability	The revenues, profitability and cash flows for the last quarter of 2019-20 and the first quarter of 2020-21 has been adversely affected due to COVID 19 in view of consequent impact on production and sale during this period.
6.3	Liquidity position	Liquidity position of the Company was slightly impacted due to increase in receivables cycle from average approx. 2 months to 3-4 months due to COVID-19 situation faced at the customer level.
6.4	Ability to service debt and other financing arrangements	The Company has sufficient availability of funds to service debt and other financial arrangements.
6.5	Internal financial reporting and control	The company has adequate internal financial reporting and control system to take care of the challenges under COVID- 19.
6.6	Supply chain	The Company does not require any specific supply chain. The Supply chain of the Company is mainly depends on availability of transportation for procuring raw material and for dispatch of finished goods. The transportation has resumed normalcy. Hence, the Company does not have face any adverse impact on its Supply Chain.
6.6	Demand for its products/services	<p>The impact of the demand for the products of the Company was felt from the months of January, 2020 itself with slight reduction. After experiencing complete closure of about 40 days and after resumption of normal operations, there has been gradual increase in the demand for the products of the Company. The Company has also some fixed duration contracts under which the Company has to undertake continuous supply of its products.</p> <p>In the month of June, 2020, the demand for the products of the Company has been restored to the level of approx. 70% of the pre COVID 19 demand for its product.</p>
7	Existing contract/arrangements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business	There are no such contract/agreement which lead to non-fulfillment of any material obligations of any party or shall have any material impact on the Company.
8.	Other relevant material updates about the business of the Company	No other material information.

You are requested to kindly take the information on record.

Thanking you.

Yours faithfully,

For SANGINITA CHEMICALS LIMITED



**DINESHSINH B CHAVADA (DIN: 01497977)
CHAIRPERSON AND MANAGING DIRECTOR**

