

**MANUFACTURERS AND EXPORTERS OF
DYESTUFFS, PIGMENTS & INTERMEDIATES**

Date: 25/06/2020

To,
The Manager-Listing Department,
National Stock Exchange of India Limited,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051,
Maharashtra, India

Ref: Ushanti Colour Chem Limited; Symbol: UCL, Series: SM

Respected Sir/Madam,

Subject: Disclosure pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with reference to SEBI Circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as per earlier disclosure given by Company dated March 31, 2020, April 26, 2020 and with reference to SEBI Circular bearing reference no. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated 20th May, 2020, Company would like to inform you the impact of COVID 19- Coronavirus Pandemic and nation-wide lockdown on the Company.

• **Impact of the COVID-19 pandemic on the business**

The COVID 19- Coronavirus Pandemic impacted not only our Company but the whole nation. To reduce the spread of COVID 19, Government of India first asked a day's lockdown, through Janata Curfew on March 22, 2020, the Government of Gujarat announced a lockdown from March 23-25, 2020 and then Government of India announced a nationwide lockdown on March 25, 2020. However, before the said announcement various safety measures had been taken by the Company like using mask, gloves, social distancing, sanitizing and washing hands etc. But after announcement the Company had to shut down its business and obey all the guidelines issued by the Government.

Due to lockdown, Company had to shut down its plant and operation activity, due to which the Company was unable to supply its products to its clients. It badly impacted on the financial position of the company as Company did not reach its desired expectations. In the last week of April, 2020, after getting approval from the concerned authority Company resumed its partial operations along with all safety measures to stabilize its operation at certain level. Due the fact that this was a pandemic which affected all the countries, including India, many orders of our company were cancelled/ postponed.

Now, as off today, Company is operating at 40-50% capacity after taking care of all the safety measures and guidelines issued by Government strictly so that, Company is able to ramp-up its production up to 80-90% of normal level.



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- **Ability to maintain operations including the factories/units/office spaces functioning and closed down**

This is to inform you that, currently Company is operating at 40-50% capacity and trying to ramp-up its production up to 80-90% of normal level.

There are many workers in the company who are migrant due to which Company was unable to start factory's operation instantly but Company hired other workers locally on daily basis due to which production is now about 40-50%.

Further, Company's Registered Office is also started with its full staff members.

- **Schedule, if any, for restarting the operations**

As said above, Company has partially resumed its operation from last week of April, 2020, after obeying all the safety measures and guidelines issued by Government strictly.

- **Steps taken to ensure smooth functioning of operations**

Well-being of our employees and workers are utmost priority of the Company, So for smooth functioning of operations of the Company, Company has taken care of all safety measures like providing mask, gloves, hand wash, hand sanitizer, checking temperature, social distancing and sanitizing whole factory etc. and obeying all the guidelines issued by Government of India.

Company also applied all the SOP and guidelines issued time and again by the Government of India for any outsider visiting our company for any reasons.

- **Estimation of the future impact of COVID-19 on its operations**

It is very difficult to examine the future impact of COVID-19 on operations of the Company and it is also depend upon future spread. Looking at the volatile present situation, the management is trying its best to overcome the crisis and give best outcome in near future and stabilize the operation of the Company.

- **Details of impact of COVID-19 on listed entity's**

a) * Capital and financial resources

Due to COVID-19, having nationwide lockdown and partial resumed manufacturing capacity thereafter, Capital and financial resources and top and bottom line of the Company are expected to be affected in the first half year of the Financial Year 2020-21.

However, it is expected to improve in the second half year of the Financial Year 2020-21.

b) *Profitability

Due to COVID-19, and nationwide lockdown and partial resumption of manufacturing capacity thereafter, the Profit margin of the Company is expected to be affected on first half year of the Financial Year 2020-21.

However, it is expected to improve in the second half year of the Financial Year 2020-21.

c) *Liquidity position

Company has ample resources to maintain liquidity position of the Company.



*Complete and major impact on effects of COVID-19 on Capital and financial resources, profitability and liquidity shall be more particularly viewed and disclosed in the half yearly and yearly Financial Results of March 31, 2021.

d) Ability to service debt and other financing arrangements

Company is able to pay all its debt taken from lenders and vendors as and when it becomes due and meet all its day to day requirements.

e) Assets

No any assets of the Company have been impacted due to COVID 19.

f) Internal financial reporting and control

The entire control of the Company has been taken by management of the Company and involved personally on implementation and execution of internal control policy.

g) Supply chain

Due to restriction on movement, Company face transportation issues while supplying materials to our customers and also getting raw materials from suppliers. Now the situation seems to have become stable and with the help of transportation availability and other facilities, the supply chain will become normal.

h) Demand for its products/services

Due to having nationwide lockdown, Demand for Company's product has been impacted in local market and outside clients, due to having worldwide lockdown. Now, Company is meeting the demands of its customers.

- Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the listed entity's business

Except mentioned below, there are no such contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the Company's business.

However, there are delayed in receipt of subsidy from the Government and also Shareholders' Agreement between JV MOU parties has not been signed and executed during lockdown.

- Other relevant material updates about the listed entity's business.

There are no any other relevant material updates about the business of the Company.

Kindly take the notice of the same and acknowledge the receipt.

For, Ushanti Colour Chem Limited

*Archita
Shah*

Archita Jitendrakumar Shah
Company Secretary and Compliance Officer



Place: Ahmedabad