

PAR/CS/NSE/2020-21/14

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

Date:18/06/2020

Subject: Impact of Covid-19 pandemic

Ref.: **Symbol- PAR (NSE Emerge), ISIN: INE04LG01015**

Dear Sir/Madam,

With reference to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 we hereby submit disclosure of material impact of Covid-19 pandemic to our Company which as mentioned below;

1. With reference to our letter dated March 24, 2020 to Stock Exchange intimated to our investor about shutdown of operations at our factory units and offices with a view to safeguard the risks to the health of our employees / workers during this period the Company's manufacturing facilities remained shut.
2. Thereafter, with reference to our letter dated April 20, 2020 to stock exchange intimated to our investor about resumption of partial working in the Plant with the permission of Local Government Authority letter from Collector and District Magistrate Office, D.M. Branch, Jilla Seva Sadan-1, first floor, Motibaugh, Bhavnagar-364001 vide letter No.D.M-1/Lockdown Permission/2020/Regi.no.21 dated 18th April, 2020 and with reference to order of Government of India, Ministry of Home Affairs vide order No. 40-3/2020-DM-I(A) dated 15th April, 2020 at North Block, New Delhi-110001, by complying the conditions mentioned by the Government Authorities. The Company manufacture pharmaceutical products, since products fall under the essential commodities requiring need to produce and to cater the requirements in COVID — 19 epidemics.
3. The company has taken a series of measures of strategic policy decision like social distancing at work place, use of Infrared Temperature Gun screening, mandatory wearing of mask, bear minimum staff, time to time sanitization at factory premises, proper hand wash at factory place, wearing of hand gloves, implementation of Covid-19 policy as uploaded at our website, maintaining proper hygiene, timely closing of factory unit etc. in view of the COVID — 19 pandemic to ensure safety and

health of all employees & their families, and to ensure compliance with various directive issued by the Central and State Governments

4. The Company is primarily engaged in manufacturing of Active Pharma Ingredients and fine chemicals (API) for domestic market as well as for international markets and the demand of the same is slightly affected i.e. drag down during the period.
5. Our production process working gradually & tactical with a view to maintain and cater the need of our buyer's demand in time. We were having a stock of our products to meet the inquiry received during lockdown but due to non-availability of transportation facility, we did not cater and capitalised it affecting our turnover for the periods.
6. In order to meet the situation, our supply chain is being effectively monitored to ensure the availability of material. The inquiry of our product is gradually increasing in compare to the last quarter of F.Y 2019-20.
7. The business situation is very dynamic and our company is closely monitoring it. The revenues and profitability of the Company are likely to be adversely impacted on account of decreasing in production and turnover during the periods. Though we do hope that the business situation should be normalised during the next one or two quarter.
8. There is no liquidity problem as the company is having sufficient cash funds. Based on that, we are having ability to maintain our operations including factories/units, offices, etc. without reducing the necessary capital or development expenditures and overheads. Further, company is not facing the delay in receiving the collection from the customers as on date.
9. As stated above, the company is having sufficient liquidity and having good financial position to service its debts and financial arrangements without any hindrance. There is no adverse effect on any assets of the company or any increasing in the liability of the company.
10. In order to achieve better internal financial reporting & control, the company opts weekly review & control mechanism in order to maintain as well as monitoring the finance of the company.

You are requested to kindly take note on your record.

Yours Faithfully,

For PAR DRUGS AND CHEMICALS LIMITED

(Falgun V. Savani)
Managing Director