

Ref No.: *NLL/CS/2020- 269*

*July 14, 2020*

*To*

*1. National Stock Exchange of India Ltd.  
Exchange Plaza,  
5<sup>th</sup> Floor, Plot No. C/1, G Block  
Bandra Kurla Complex Bandra (E),  
Mumbai 400 051*

*2. BSE Limited  
1st Floor, New Trading Ring,  
Rotunda Building,  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Mumbai 400 001*

*Ref: Disclosure under Regulation 30 of Securities & Exchange Board of India (Listing  
Obligation and Disclosure Requirements) Regulations, 2015.*

*Dear Sir/ Madam,*

*This is with reference to SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated  
May 20, 2020 issued by the Securities and Exchange Board of India (SEBI) titled  
Advisory on disclosure of material impact of COVID 19 pandemic on listed entities under  
SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*

*In this regard, please find attached herewith update on Impact of the CoVID-19  
pandemic on the Company.*

*This is for your information and record please.*

*Thanking you,*

*Yours faithfully,*

*For Nectar Lifesciences Limited*

*(Dr. Dinesh Dua)*

*Executive Director*

## ***Impact of the CoVID-19 pandemic on the business;***

*COVID-19 pandemic in general across industries has caused disruptions in the business in terms of shortage of manpower, delayed export shipments, increased air freight, rise in raw material costs, delay in sales realisations etc. Some of these reasons are affecting industry continuously.*

*However, braving all these hurdles Nectar Lifesciences Limited ('company') is trying to march ahead and is hopeful to increase its capacity utilization in months ahead.*

*The cogent and timely disclosures have been made by the company under Regulation 30 of Securities & Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015, informing closure and restoration of operations.*

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

*The company has managed to continue its operations in staggered manner as and when restrictions have been eased by Government(s) particularly for Pharmaceuticals as "Essential Industry". The company has been able to start operations of intermediates and APIs to meet out the increased demand due to pandemic. Later limited operations in other plants at Baddi, Himachal Pradesh have also been started partially.*

## ***Steps taken to ensure smooth functioning of operations;***

*The Company has taken following measures to start operations and to protect employees/workers from exposure to, and infection with, COVID 19,*

- ✓ *Very stringent & diligent SOP's for sanitization, social distancing, monitoring of temperature, healthcare of all employees.*
- ✓ *Disinfection & sanitization of all equipments, vehicles, establishments & other such measures as mandated by local authorities in line with MHA notifications.*
- ✓ *Proper maintenance of plants and equipment to start smooth operations.*
- ✓ *Procurement of raw material.*
- ✓ *Liasoning with Banks for continuation and enhancement of credit facilities to meet out Cash Flow Pressures.*
- ✓ *Asking all employees to have Aarogya Setu App*

### ***Estimation of the future impact of CoVID-19 on its operations;***

*Given the magnitude of the still going corona virus pandemic and its impact on the operations of company as in the case of global economy, it's difficult to estimate exact impact of pandemic on operations as of now.*

*The company is taking all the necessary precautions and keeping necessary measures in place to tackle with the challenges thrown by this unprecedented crisis. Thus, the company stands a good chance to come out on the better side amidst these crises and to ramp up its production soon after situation gets to normal.*

### ***Details of impact of CoVID-19 on listed entity's***

#### ***Capital and financial resources;***

*The Company does not plan to raise any fresh capital as of now and hence there is no impact. Further the Company is very comfortably leveraged on the debt front and able to raise further debt if required.*

#### ***Profitability;***

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*It is premature to analyse the exact impact of Covid-19 pandemic on profitability as the threat is not yet over. The impact seems to be ongoing and continuing at this stage and will be disclosed alongwith financial results as and when the same are submitted to the stock exchanges.*

***Also specify whether loss/damage covered by insurance or not including amount;***

*The company does not have any profit coverage policy as on date.*

***Liquidity position;***

- 1. There is delay a realization from debtors due to lockdowns, both domestic and overseas & thereafter unlock it may became better.*
- 2. The material remained struck up at ports therefore working capital got locked therein.*
- 3. To overcome these issues of elongated working capital cycle, the banks have provided Covid related short term loans/ facilities.*
- 4. The company has opted for Moratorium 1 and Moratorium 2 benefits as announced by the Government/ Reserve Bank of India*

***Ability to service debt and other financing arrangements;***

*The company has opted for Moratorium 1 and Moratorium 2 benefits as announced by the Government/ Reserve Bank of India.*

***Assets;***

*None of the assets of the Company have been impacted or impaired by the Covid-19.*

## ***Internal financial reporting and control;***

*The Company has all the required systems in place and all its locations are well networked. Even during the lockdown with a combination of critical staff working from locations and all others working from home, all reporting systems worked seamlessly without any disruption.*

## ***Supply chain;***

*The lockdown/ curfew caused disruptions to supply chain in its initial stage. However, same has been improved though it will take some time to get back to normal due to limited logistics operations both by Air & Sea. The clearance of material at ports is getting delayed due to limited staff working thereat.*

*Nations which are most affected by COVID-19 - are either the primary export destinations or import destinations of our company, If the pandemic continues KSM's, APIs and allied products may face shortages of material which may lead to bit of disruption of production.*

## ***Demand for its products/services;***

*Demand for all our products i.e. API's reconstitutes 80-85% of our business are very robust as some of these molecules are used post Covid follow up treatment to avoid bacterial infection.*

*Exports demand remains very robust but the only deterrent has been that of flights to various destination which are rather limited leading to slowing down of exports in terms of transportation both Air & Sea & 4-5 times increase in freight charges. We expect that once the movement/ lockdown eases things will become normal which will lead to even greater exports.*

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

*The company is having enough inventories for its requirements as of now and thereafter also it does not anticipate much problem in procuring the same both domestically and import provided there will not be further lockdown or spread of pandemic.*

*On Sales front the company is currently working at 60-65% capacity utilization and propose to step up further provided the pandemic situation does not worsen*

*We do not foresee any breaches in agreements/ understandings both at purchase and sales front.*

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

*Nil*

***Note:** This document contains 'forward-looking' statements at places. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, or estimated projected. We undertake no obligation to publicly update any forward-looking statements, whether as a results of new information, future events or otherwise.*