



**Corporate Office & Communication Address:**  
**40I Aza House, 24, Turner Road, Bandra (W), Mumbai 400 050. Website:**  
**www.panamapetro.com**  
**Phone : 91-22-42177777 I Fax : 91-22-42177788 I E-mail : ho@panamapetro.com**  
**CIN No. L23209GJI982PLC005062**

**July 13, 2020**

To, The Manager- CRD Bombay Stock Exchange Limited Pjiroze Jeejeebhoy Towers, Mumbai 400 001 Scrip Code: <b>524820</b>	To, The Listing Head National Stock Exchange of India Limited, Bandra-Kurla Complex Bandra (E) ,Mumbai-400 051 Scrip Symbol : <b>PANAMAPET</b>
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**Sub:** Disclosure of material impact of COVID-19 pandemic under SEBI (LODR) Regulations, 2015.

Dear Sir/ Madam,

In continuation to our disclosure made pursuant to Regulation 30 of SEBI (LODR) Regulations, 2015 and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84, on June 12, 2020, please find enclosed herewith the detailed disclosure on evaluation of the impact of COVID-19 pandemic on the Company.

This is for your information and records.

Thanking You,

Yours faithfully,

For **PANAMA PETROCHEM LIMITED**

**Gayatri Sharma**

**Company Secretary & Compliance Officer**



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Pursuant to Regulation 30 of SEBI LODR and SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020; we wish to inform you the following

**(i) Impact of the COVID-19 pandemic on the Business:**

Panama Petrochem Limited is considered as a continuous process industry using three types of **mineral oil** : paraffinic, naphthenic and aromatic. Paraffinic oils are produced either by hydrocracking or solvent extraction process. Most hydrocarbon molecules of paraffinic oils have non-ring long-chained structure. Paraffinic oils are relatively viscous and resistant to oxidation. This classification has helped the Company to operate during the lockdown period from 21st April 2020 onwards. There was material impact on the Company's business during the corresponding 20 days of March / April. The situation is improving and we hopefully foresee normal operations in this segment.

**(ii) Ability to maintain operations including the factories / units / office spaces functioning and closed:**

The Company has taken conscious decision through balanced uninterrupted operations and ensuring a safe working environment. To ensure this, critical staffs have been asked to report to work at the Plant location. The Company has also made necessary arrangements to ensure that their staffs are safe and protective at work. The staffs at HO have been asked to work from home, thereby ensuring seamless operations, reporting and controls.

**(iii) Schedule, if any, for restarting the operations:**

The Company had shut down its operations for about 20 days on account of Covid-19 Pandemic. The Company's operations are fully functional as of now with respect to production.

**(iv) Steps taken to ensure smooth functioning of operations:**

The Company has put in place strict monitoring process for Covid-19 which are as follows:

- (a) Thermal Screening of all employees and visitors & sanitizing the premises and vehicles on regular basis.



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- (b) Maintenance of social distancing at the work place & enforcing wearing of masks and regular cleaning of hands.
- (c) Regular update of the health of all the employees and their families
- (d) Conducting awareness programmes for the employees, labourers, etc.
- (e) Virtual meetings are conducted to discuss about the operations of the Company.

**(v) Estimation of the future impact of CoVID-19 on the operations :**

There has not been a material impact on the Company's performance so far and the exact quantum of impact is not readily quantifiable at present and the same will be disclosed in the financial results when it is published in the forthcoming periods.

**(vi) Details of impact of CoVID-19 on the Company :**

**Capital and financial resources:**

The Company does not plan to raise any capital in the near future and hence, there is no impact. Further, the Company is leveraged on the debt front and can raise further debt for operations

**Profitability:**

The expected Covid impact on profits would be around 25% of the profit of the Company. However, the exact quantum of impact for the relevant reporting period will be disclosed in the financial results of the company.

**Liquidity position:**

A collection from debtors has been impacted marginally with some of the customers, as they have requested for a deferred payment schedule, which the company, keeping in mind, the long-term relationship, has accepted. We expect this situation to come back to normalcy after the lockdown. However, the Company has been meeting all its financial and contractual obligations so far. Further, the Company is also evaluating the effectiveness on "Forward Contract" in its foreign currency transactions due to volatility in the currency rates especially in US dollar to rupees.

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

The Company did not avail any moratorium from any of its lenders. The Company has never in the past defaulted on any interest or loan payment and does not see any issue meeting future obligations too.



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**Assets:**

Assets of the Company have not been materially impacted or impaired by Covid-19, since there is no significant change in the extent or manner in which the asset is used or is expected to be used.

**Internal financial reporting and control:**

The Company has ERP system in place and all its locations are well networked. Even during the lockdown with a combination of critical staffs working from location and all others working from home, all reporting systems worked seamlessly without any major disruption and deviation

**Supply chain:**

Raw material supplies did not get affected by Covid-19. However, finished goods movements had some constraints in the month of April but now its improved.

**Demand for its products/services:**

The demand from the customers were very bleak during April and it is now improving. But long-term forecast is still not being able to provide by the customers as they find it difficult to predict.

**Existing contracts/agreements where non-fulfilment of the obligations by any party will have significant impact on the Company's business:**

The Company is able to honour all contracts and agreements with customers / vendors

**(vii) Other relevant material updates about the Company's business:**

The above evaluation is based on the present situation of the Company. However, any further significant impact of COVID-19 pandemic or material development on the business, performance and financials, a suitable disclosure in this regard will be made along with Financial Results from time to time.