Deccan Healthcare Limited
care and concern
StayWoW

To,
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400001

Date: July 11, 2020

Stock Code: 542248

Dear Sir/Madam

Sub: Disclosure on Material Impact of Covid-19 Pandemic

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 as issued by the Securities and Exchange Board of India (SEBI); we are herewith submitting the disclosure of material impact of Covid-19 pandemic on the operations and performance of the Company.

Kindly take the above information in your record

Thanking You,

Yours Truly
For **Deccan Health Care Limited**

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Sheena Jain
Company Secretary & Compliance Officer

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JULY 2020

DECCAN HEALTH CARE

COVID-19 IMPACT UPDATE

As the company is re-gearing its engines at an unprecedented rate as lockdown rules are gradually relaxed, the challenge is complicated by uncertainties about the progression of COVID-19 and the social, political and fiscal actions that it will drive. There is a rapidiously positive trend for the company in terms of market-driven demand. The company has been architecting measures within possible means to optimise the circumstances which were and are beyond control ensuring continuity in consumer retention and incepted new consumer acquisition strategy. The company's top priority at these times is to foster market space and consumer share, increase orders on its online portal and build new infrastructure to serve the consumers. This presents us with an opportunity—and a need—to enhance the competences: to be more digital, data-driven, and in the cloud; to new consumer share in the market, agile operations and automation; to create stronger capabilities in e-commerce. This agility will be core to the long-term capabilities we build. The company examined the implications for operations and supply chain. The COVID-19 pandemic has brought fast-moving and unexpected variables. The Company has developed management plans specific to this crisis briefly discussed below, for a positive immediate and long-term result.

Segment Area	Impact	Company's Action
Demand	Positive -Preventive healthcare is a top priority for individuals and demand for healthcare products has significantly increased -The absence of definitive Covid-19 treatment and prevention has recontextualised higher demand for immunity boosters -The pandemic has effectively re-centred focus on Health Fitness and prevention -Cost effective healthcare products are demanding greater share of consumer expenditure -Luxury healthcare has taken a backseat in the intermediate term -Pandemic has further catalysed the penetration of Online e-commerce platforms providing favourable tailwinds owing to newer non-regular and store-only shoppers migrating online. New opportunity for synergistic event-driven transformation	-Increased information focus on immunity by seamlessly leveraging granular reach via PIP (Product Information Personnel) -Repositioned immunity portfolio of products that include Oxyflax® ISB, Fightinfection, O3D3, Oxyflax® Global to effectively intensify brand reach -Enabled functionalized resources by increasing spend on digital marketing to proactively expand consumer base -Realigned to the changing market by introducing 'Consumer Demand Driven' products - Germofree (hand sanitizer) -Dynamic methodologies used to increase 'Digital and Direct consumer connect' outreach -Improved technology inputs to seamlessly integrate new data points -Increased consumer engagement of online consumers -Consistent push to switch consumers online due to Offline business B2B demand being unserviceable amidst the pandemic -In process of building a technology-driven bricks-and-clicks model for Offline

		sales influencers - personal trainers, dieticians, nutritionist, etc. who have not started activity to effectively e-enable partners
Last Mile Supply Chain (Company to Consumer)	Negative -The last mile supply chain has been in lockdown except of essential commodities -The logistic costs have considerably increased -Unprecedented delays and longer lead times -Delivery schedule disruption	-Actively refocussed on serving online orders since only small parcel service was working for B2C online deliveries -We served B2C customers' orders even in Red zones by seeking special permissions to ensure high-quality product availability where required -We embraced proactive courier service partners to ensure product deliveries even in face of considerably increased delivery cost for B2C orders thereby reasserting our client-centered approach -Progressively leveraged our market reach and enabled 200+ Home Shoppe's to service online orders faster -Negative impact on our offline B2B business due to non-supply of material at right cost of transportation has led us to re-negotiate terms with transporters
Input Material Supply Chain (Vendor to Company)	Negative -With lockdown and closure of material supply vendors, material shortfalls have been severe -Extraordinary price increase for input materials	-Cultivating alternate vendors to maintain continuity of supply at the backend -Buying materials against advance payments to sustain seamless activity against odds

	-Inadequate availability of Quality material in the immediate term -Delay in supply -Vendors supplying against advance payments - Credit facility effected	-Rationalising purchase containing inventory -Shift from inventory gap filling purchase system to purchase of material for finished products in demand -Looking at alternative array of materials used especially in packaging
Manufacturing	Negative -Lockdown and complete overnight closure -Reverse-migration of skilled work force -Adverse impact on materials in WIP due to a sudden halt -Lack of skilled and trained plant operators -Sporadic availability of Outsourced resources -Increase in Covid-19 compliance cost	-Got special permission to operate the factory; limited the closure time to 17 days only -Paid special incentive to working teams -Appropriately maintained WHO GMP REQUIRMENTS -Special end-to-end Covid-19 care setup

With gradual restoring of on-ground operations, we expect functioning of our Last Mile Supply Chain, Input Material Supply Chain and Manufacturing to be restored at a rapid pace owing to competitively evolved functionalities and innovatively facilitated services to attain a driven growth in the future.