

CORPORATE OFFICE :
1st floor, 137 Hubtown Solaris,
N.S. Phadke Road, Opp. Teli Gali,
Near Andheri East West Flyover Bridge.
Andheri East. Mumbai - 400069 (INDIA).
CIN No. L24232MP1989PLC005390 .
Tel. : 91-22-6863 4200 / 6863 4206
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**Panchsheel
Organics
Limited**
MFGRS. OF: BULK DRUGS
& FORMULATIONS

Date: 26th May, 2020

To,
The Corporate Service Department
BSE Limited.,
Phiroze Jeejeebhoy Towers,
Dalal Street,
Mumbai – 400 001.

Sub: Disclosure as required under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 - Impact of COVID-19 pandemic.

Security Code: 531726

Ref.: SEBI/HO/CED/CMD1/CIRP/P/2020/84

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 and SEBI Circular Number SEBI/HO/CFD/CMD1/CIR/P/2020/84 issued on May 20, 2020, we would like to inform that we being the Pharmaceutical Manufacturing Company dealing into manufacturing of Active Pharma Ingredients (APIs).

Please find enclosed herewith the disclosure of material Impact of COVID-19 Pandemic on the operation and performance of the Company.

Kindly take the same on your record.

Thanking You,

Yours Faithfully,
For **PANCHSHEEL ORGANICS LIMITED**

Sd/-

AMIT V. JAIN
COMPANY SECRETARY
eCSIN: EA060998B000022181

Note: In view of lockdown due to COVID-19 pandemic we are submitting the document in “sd/-” mode, However, we hereby confirm that the above information is true and correct to our knowledge.



MATERIAL IMPACT OF COVID-19 PANDEMIC ON OPERATIONS AND PERFORMANCE OF THE COMPANY

1. Impact of CoVID-19 pandemic on the Business:

The Company's Corporate Office at Mumbai location was closed since 23rd March, 2020 and the necessitated employees are working from home as and when the work requirement occurs.

While Company's Factory at Indore location including Registered Office was closed w.e.f. 23rd March, 2020 till 3rd May, 2020. As we are dealing under Essential Commodities, we got the permission on 4th May, 2020 from local authorities to start operation partially keeping in mind the guidelines issued by Central Government.

2. Ability to maintain operations including the factories/units/office spaces functioning and closed down:

- i. We are pleased to inform that we are now operating in 3 shifts at our factory located at Indore and our capacity utilization is approx 60%. We are observing full compliance to the conditions of operations stipulated to avoid spreading of virus;
- ii. We are not facing any migrant labor issues as most of our labors are from nearby location;
- iii. We also would like to inform that domestic dispatches in few territories have resumed. We expect domestic dispatches to improve gradually as and when the market start opening;
- iv. As mention earlier our Registered Office id functioning subject to maintaining Social Distancing and other safety measures.

3. Schedule, if any, for restarting the operations:

As informed, we are currently working in 3 shifts with 30% of total labor per shift at Indore location from 5th of May, 2020 after obtaining requisite approval from the concerned authorities.



4. Steps taken to ensure smooth functioning of operations:

- i. We are taking necessary preventive measures like social distancing, temperature testing, providing masks and sanitization facility to all workers etc. to avoid spreading of CoVID-19;
- ii. Most of our labors are from near locations, we are not facing any issue of migrant labor.
- iii. We have sufficient stock of Raw Materials to meet production requirements.

5. Estimation of the future impact of CoVID-19 on operations:

It is very early to assess the future impact of COVID-19 with reasonable certainty. However, we are getting order booking from the market and also started few dispatches. With the opening of domestic market post lockdown, we expect business to improve gradually. We estimate that there will be reduction of sales and accordingly revenue in value terms for FY 2020-21.

6. Details of impact of CoVID-19 on the Company:

- i. **Capital and Financial resources:** We have adequate capital to meet business requirements.
- ii. **Profitability:** Profitability for the Quarter 1 (April, 2020 to June, 2020) FY2020-21 expected to be affected due to lockdown and partial manufacturing capacity utilization. However it is expected to improve from Quarter 2 (July, 2020 to September, 2020) FY2020-21 onwards.
- iii. **Liquidity position:** We have conserved resources to maintain liquidity position in the company.
- iv. **Ability to service debt and other financing arrangements:** Company is capable to service all debts as and when due. The Company is paying its lenders as per due date and has not availed any moratorium.

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- v. **Assets:** Company will assess further CAPEX requirements once situation improves.
 - vi. **Internal Financial Reporting and Control:** internal financial reporting and control are fully functioning.
 - vii. **Supply Chain:** We have not observed any major supply chain issues and it is expected to normalize post lockdown
 - viii. **Demand for products/ services:** Demand in domestic market is adequate, however, export demand expected to improve post lockdown.
7. **Existing contracts/agreements where non-fulfillment of the obligations by any party will have significant impact on the Company's business:**

We have no such contract which has significant impact on the Company.

For **PANCHSHEEL ORGANICS LIMITED**

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