

July 29, 2020

The Manager, Listing Department
The National Stock Exchange of India Ltd.
Exchange Plaza, Bandra Kurla Complex,
Bandra (E), Mumbai - 400 051
NSE Symbol : PANACEABIO

BSE Limited
Corporate Relationship Department,
Phiroze Jeejeebhoy Towers,
Dalal Street, Mumbai - 400 001
BSE Scrip Code: 531349

Sub: Disclosure of material impact of CoVID-19 pandemic on the Company under Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

Dear Sir/Madam,

Pursuant to Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. SEBI/HO/CFD/CMD1/CIR/P/2020/84 dated May 20, 2020 regarding disclosure of material impact of novel coronavirus (CoVID – 19) outbreak and pandemic status on operations of the Company, please find enclosed herewith the required details as per **Annexure 1**.

This is for your information and record please. Kindly acknowledge the receipt.

Thanking you,

Sincerely yours,

For **Panacea Biotec Ltd.**


Vinod Goel
Group CFO and Head Legal
& Company Secretary



Encl.: As above

B1 Extn. /G3, Mohan Co-op Indl. Estate,
Mathura Road, New Delhi -110044
Email: vinodgoel@panaceabiotec.com
Phone: D.I.D. +91-11-4167 9000
Fax: +91-11-4167 9070

Panacea Biotec Ltd.

CIN: L33117PB1984PLC022350

Registered Office: Ambala-Chandigarh Highway, Lalru - 140 501, Punjab, India. Ph.: +91-1762-505900, Fax: +91-1762-505906.
e-mail: corporate@panaceabiotec.com website: www.panaceabiotec.com

Annexure 1

Disclosure of material impact of Covid-19 pandemic on Panacea Biotec Ltd.

S. No.	Particulars	Information
1.	Impact of the CoVID-19 pandemic on the business	<ul style="list-style-type: none"> • In view of the Covid-19 pandemic, there have been several restrictions imposed by governments across the globe on the travel, goods movement and transportation considering public health and safety measures, which has adversely impacted the Company's operations since late March 2020. However, the Company's operations including its supply chain has been handled by the Company in an effective manner by applying various approaches on case to case basis and ensuring that its products reaches up to the last point. • The Company is closely monitoring the impact of the pandemic on all aspects of its business, including how it will impact its customers, employees, vendors and business partners.
2.	Ability to maintain operations including the factories/ units/ office spaces functioning and closed down	<ul style="list-style-type: none"> • Since, the Company is engaged in the business of manufacturing of pharmaceutical products, accordingly, the operations at manufacturing facilities of the Company and warehouses kept on going, albeit with limited no. of workers in the initial days during the lockdown, however the same increased gradually after obtaining requisite government approvals. • Assurance of safety of employees at site was provided by explaining measures which were taken at site. • Arrangements for 'Stay at site' were made for critical employees following proper social distancing norms. • Employees assigned with Quality Assurance/



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		<p>Quality Control were / are available for governance on quality matters.</p> <ul style="list-style-type: none"> • During the lockdown period, the Company implemented Work from Home for staff and was quite successful in implementing the same.
3.	Schedule, if any, for restarting the operations	Not applicable. Since the plants / offices / Centres are in operations albeit with reduced staff strength.
4.	Steps taken to ensure smooth functioning of operations	<ul style="list-style-type: none"> • Video training sessions were conducted for how the virus spreads and how to prevent its spreading. • All safety protocols related to Covid-19 as advised by the government are being implemented. • Social distancing norms are being strictly followed. • Sanitization of premises on regular basis. • Cleanliness and hygiene at workplaces is ensured. • Thermal screening of employees and other visitors are being done at the entrance. • All employees have been asked to install Aarogya Setu App. • Repetitive trainings to all employees, contractual workers, vendors and visitors etc. for regular and thorough hand-washing. • Good respiratory hygiene ensured at the workplaces by providing adequate quantity of face masks. • Working Guidelines have been issued for Manufacturing Sites and R&D Centers.
5.	Estimation of the future impact of CoVID-19 on its operations	Due to current dynamic situation and uncertainty prevailing in the world, it is difficult to provide the definitive future impact of Covid-19 on the operations of the Company. However, the Company



S. No.	Particulars	Information
		is confident about adapting to the changing business environment and respond suitably to fulfill the unmet therapeutic needs of its customers.
6.	Details of impact of CoVID-19 on Company's	
(i)	Capital and Financial Resources	<ul style="list-style-type: none"> The Company's equity capital structure remains unchanged. There has been no major impact on the financial resources.
(ii)	Profitability	The Company is closely monitoring the impact of the pandemic on all aspects of its business, including how it will impact its customers, employees, vendors and business partners. The profitability of the Company has been impacted to some extent due to COVID-19 as the goods which were ready could not be shipped and billed to customers as the goods movement was impacted due to restrictions on air / ground transport. This started easing from opening of the nationwide lockdown from June 1, 2020 onwards.
(iii)	Liquidity Position	<ul style="list-style-type: none"> All organizations bigger or smaller are facing liquidity issues except those who are having healthy cash reserves. On one hand the sales have plummeted (more so in vaccines segment) thereby squeezing the cash flows, on other hand the scope of cost cutting is narrowed as fixed cost continues to be incurred in running and maintaining the operations. The vendors are now insisting on advance payments or clearing the old dues before supplying the materials. Even the freight forwarders are asking for advance freight payment for export shipments. The organizations are required to maintain sufficient cash balance to resume the operations and selling activities once the normal situation



S. No.	Particulars	Information
		is restored. Accordingly, we have put strict control on payments to ensure funds are available for meeting operational expenses, materials procurement, salaries payment, statutory dues, etc. The capital expenditure plans have also been put on hold to conserve cash for supporting working capital.
(iv)	Ability to service debt and other financing arrangements	<p>The Company is not having much of the debt in its books of accounts as all the outstanding towards Debentures issued by the Company in April, 2019 have been assigned and novated to its wholly-owned subsidiary, Panacea Biotec Pharma Limited ("PBPL") alongwith the transfer of pharmaceutical formulations business effective from February 1, 2020. Hence there is no major impact on the ability to service debt and other financing arrangements of the Company.</p> <p>However, the current situation caused by the spread of Covid-19 global pandemic has adversely affected the cash flows of the Company.</p>
(v)	Assets	No major impact. However, given the uncertainties due to Covid-19, the final impact on the Company's assets in future may differ from that estimated as at the date of approval of the Company's financial results as of and for the year ended March 31, 2020.
(vi)	Internal Financial Reporting and Control	There is no impact on internal financial controls due to the COVID-19 situation.
(vii)	Supply Chain	The Supply Chain process was impacted during the lockdown period. With the ease of restrictions, the same is improving on daily basis.
(viii)	Demand for its Products/Services	The primary demand for some of the products was impacted during the lockdown period. Being in the pharmaceutical industry, there has not been major impact on demand for other Products.
7.	Existing contracts / agreements	The Company is well positioned to fulfill its



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	where non-fulfilment of the obligations by any party will have significant impact on the Company's business	obligations and also does not foresee any significant impact on the business due to non-fulfilment of the obligations by any party.
8.	Whether loss/damage covered by insurance or not including amount	Covid-19 pandemic was not foreseen and covered. The insurance coverage has been widened to include any such event in future.
9.	Other relevant material updates about the Company's business	<p>The Company has entered into a landmark collaboration with Refana, Inc. USA which will enable global development, manufacturing and distribution of the Covid-19 vaccine. The collaboration aims to bring to patients a whole inactivated virus-based vaccine for Covid-19 and make the same widely accessible around the world in an equitable manner through a Joint Venture company to be based in Ireland.</p> <p>No other material update can be identified at present.</p>

